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ABSTRACT

This publication reports on progress 1 year into the Clinton Administration's "Reinventing Government" initiative, a long-term effort at significantly revamping the federal government's operations. A preliminary chapter notes the culture change involved in the reinvention process. Individual chapters then report progress for each of the four principles underlying the initiative. These are: putting customers first, empowering employees to get results, cutting red tape, and cutting back to basics. A final chapter identifies continuing challenges in the reinvention process. Appendices detail the status of major recommendations by agency and those affecting governmental systems, summarize savings to date, and list presidential and congressional actions taken to date. As an example, in reporting on the status of 12 recommendations for the Department of Education, the report notes such achievements as: implementation of a comprehensive planning process to improve department-wide programs and internal management; reauthorization of the Elementary and Secondary Education Act; implementation of a new direct student loan program that will save taxpayers about $4.3 billion over the first 5 years, and $1 billion each year thereafter; significant progress in debt collection; implementation of a "one-stop shopping" approach for information dissemination and assistance; encouragement of employees to adopt individual development plans and to use performance measurement in implementing department policy; and identification and elimination of 64 cumbersome, ineffective rules by a "Low Hanging Apples Team." (JB)

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CREATING A GOVERNMENT THAT WORKS BETTER & COSTS LESS

STATUS REPORT

SEPTEMBER, 1994

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Report of the National Performance Review

Vice President Al Gore

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
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CONTENTS

INTRODUCTION 1
- RESULTS OF REINVENTION 4
- NOT SITTING ON A SHELF 7
- WHAT'S AT STAKE 9

CULTURE CHANGE: REINVENTING THE FEDERAL GOVERNMENT ... 11
- CATALYSTS OF REINVENTION 15
- IN RECOVERY: FEDERAL EMERGENCY MANAGEMENT AGENCY 16
- PUNCHING THE CLOCK — NOT: DEPARTMENT OF LABOR 18
- PEOPLE, PROCESSES, AND PARTNERSHIPS: CUSTOMS SERVICE 20
- CUSTOMERS ON TOP: DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT 23
- REINVENTION: A CONTINUOUS PROCESS 24

PROGRESS REPORT 27

CHAPTER ONE: PUTTING CUSTOMERS FIRST 29
- CUSTOMER SERVICE: GOVERNMENT CHANGES ITS APPROACH 30
- SETTING CUSTOMER SERVICE STANDARDS 31
- INFORMATION TECHNOLOGY: A HOST OF CUSTOMER BENEFITS 32
- MAPS, ANYONE? 33
- POSTAL DELIVERY 34
- CONCLUSION 36

CHAPTER TWO: EMPOWERING EMPLOYEES TO GET RESULTS 37
- THE TRANSFORMATION OF FEDERAL WORK 38
- THE NATIONAL PARTNERSHIP COUNCIL: LAUNCHING A NEW ERA OF COOPERATION 39
- ACCOUNTABILITY: SHIFTING FROM INPUTS TO RESULTS 40
- WORKFORCE REDUCTION 43

CHANGE AT THE TOP 44
EMPLOYMENT RESTRICTIONS IN LEGISLATION 46
CONCLUSION 47

CHAPTER THREE: CUTTING RED TAPE 49
EARNING THE MONIKER 50
PROCUREMENT REFORM 51
PUTTING "SERVICES" BACK INTO GSA 54
OMB: MORE COLLABORATION 54
OSHA: "ONE FOOT IN FRONT OF THE OTHER" 56
CREATIVE APPROACHES TO ENVIRONMENTAL PROTECTION 57
BRANDEIS' VISION: STATE AND LOCAL EXPERIMENTATION 59
COMMUNITY EMPOWERMENT 61
RURAL DEVELOPMENT 62
CONCLUSION 62

CHAPTER FOUR: CUTTING BACK TO BASICS 63
LESS BORROWING, MORE REINVENTION 63
SLOWING THE RED INK 64
MAKING THE TOUGH CHOICES 65
ANOTHER TOOL FOR THE PRESIDENT 66
CAN DEFENSE AFFORD ITS HEALTH UNIVERSITY? 66
CONCLUSION 67

STILL TO DO: LOTS MORE 69

ENDNOTES 75

APPENDICES 81
A: STATUS OF MAJOR RECOMMENDATIONS BY AGENCY 83
B: STATUS OF MAJOR RECOMMENDATIONS AFFECTING GOVERNMENTAL SYSTEMS 107
C: SUMMARY OF SAVINGS TO DATE 119
D: PRESIDENTIAL AND CONGRESSIONAL ACTIONS TAKEN TO DATE 123

INTRODUCTION

INTRODUCTION

Len Davis, who left the Army in 1969 after his second tour of duty in Vietnam, had never had much luck with the old Veterans Administration.

Over the years, he lived in different parts of the country, but his experiences varied little. Whether buying a house, seeking medical care, or just awaiting his benefit check, he never dealt with the same person twice. Each time he called, or each time his call was transferred among VA employees, he had to tell his story again.

Employees of what's now the Veterans Affairs Department were no happier. In trying to help veterans, each toiled in anonymity, performing a task in classic assembly-line fashion, little different from how each worker toiled in Henry Ford's car factory of the 1920s. One opened the mail; another distributed it; another took applications from veterans. What nobody did was ensure that veterans received start-to-finish satisfaction.

Then Davis moved to New York City, where the VA's regional office of 360 employees had launched a major effort to focus on its customers — 1.2 million veterans in 31 New York State counties — and revamp its operations accordingly. It was an eye-opening experience for managers and employees alike.

"We started looking at what we were doing in the regional office with the intention of trying to make things better," Joe Thompson, the office director, told Vice President Gore in March. "We stepped back away from what we were doing and said, you know, what are the difficulties that we have, and we narrowed it down to two things: The results of our efforts frequently frustrated if not angered our customers, and the processes that we used in the office to do business sucked the life out of our own employees.

"Other than that," he added with a smile, "everything was going pretty good."

Employees visited VA hospitals and held focus groups with veterans who described

Vice President Gore, right, listens to Army veteran Len Davis at NPR's first "hammer awards" ceremony in March 1994.

their problems in dealing with the office. The employees also visited such well-regarded businesses as AT&T, IBM, and Metropolitan Life to learn how they satisfy their customers. They then met in small groups to design a new process from scratch.

In that process, small teams of employees each work with a small number of veterans from start to finish. One person serves as a contact point for a veteran, who no longer must tell his or her story again and again. Overall, the New York office has greatly streamlined its operations, giving veterans better service in less time. It has reduced its backlog of pending cases by well over a third, cut the steps in claims processing from 25 to eight, shrunk the time veterans must wait to see a counselor from 30 minutes to three, and cut processing costs.

Veterans are happier. Reflecting on his first experience in New York, Davis said,

> *I got on the phone, they transferred me . . . to a lady who turned out to be very helpful to me . . . Therese Aprile. Therese told me that she'd be my contact person, I could get back in touch with her, that any questions I had, I could get to her, and I thought, "Something strange and different's going on here," 'cause I'd never had that experience with the VA.*

The employees also are happier. As Gale Noble, a case technician, put it, "The satisfaction is [in] greeting the veterans, actually seeing first-hand these men and women who served this country so that we all would be here. . . . Now, I actually can talk to them, make them laugh, give them a friendly gesture, and they leave very happy."[1]

Not surprisingly, Vice President Gore traveled to the VA in March to give its New York employees the first of his "hammer awards" — $6 hammers wrapped in ribbons and mounted on plaques that read, "Thanks for building a government that works better and costs less." In the best spirit of the National Performance Review's report, *From Red Tape to Results: Creating a Government that Works Better and Costs Less*, the New York office put its customers first, empowered employees, cut red tape, and reduced costs.

RESULTS OF REINVENTION

The New York office of the Veterans Affairs Department is not alone in reinventing itself. One year ago the Administration promised a government that "works better and costs less." It is starting to deliver.

Government is, indeed, "working better." Thanks to the President, Congress, executive agencies, and federal workers at all levels, over 90 percent of NPR's proposals have moved forward — implemented by executive order or agency action, proposed in legislation, and so forth. Here's a snapshot of some other governmentwide accomplishments:

- The President issued 22 directives (see Appendix D) and signed performance agreements with five Cabinet secretaries and leaders of two other agencies. The directives implement NPR recommendations on such subjects as customer service, agency streamlining, procurement, labor-management relations, intergovernmental cooperation, environmental justice for the disadvantaged, and trade promotion. The performance agreements set specific goals to improve the quality and efficiency of service.
- Over 100 agencies set customer service standards for the first time. For example, Social Security promises to mail out cards within five working days, and if you need a social security number quickly, it will provide it in a day. The Customs Service pledges to process international air passengers within five minutes.
- Agencies are beginning major streamlining initiatives, cutting headquarters staff, reducing management layers, and moving workers to the front line. They

include the Departments of Labor, Agriculture, and Housing and Urban Development; the Federal Emergency Management Agency; Customs; the Bureau of Reclamation; the Social Security Administration; the Small Business Administration; and the Federal Bureau of Investigation.

- Agencies are forming labor-management partnerships throughout the federal government. Departments and agencies have signed thirty-two partnership agreements with their unions.
- Agencies are slashing red tape. The Office of Personnel Management scrapped the 10,000-page Federal Personnel Manual and the SF-171 job application form. Labor, Veterans Affairs, and other departments eliminated mounds of paperwork associated with internal regulations, budget justifications, and other requirements.
- Agencies are buying fewer "designer" goods and more off-the-shelf products. The Defense Department is aggressively eliminating military specifications in favor of commercial purchases, and the General Services Administration's commodity centers are working to give commercial descriptions to everything they buy and to stock commercial items.
- Agencies created 135 "reinvention labs" through which employees try new ways to conduct the people's business; already, some have improved customer service or cut costs.
- The government is shifting billions of dollars in benefits to electronic payment. Some benefits are now being paid electronically in seven states; 22 more states are in the planning stages.
- The federal government is changing the way it interacts with state and local governments. The Education Department is implementing the Education Flexibility Partnership Demonstration, which will give some states the authority to waive any statutory or regulatory requirement without seeking the department's approval. HHS has also consolidated four programs into one to make it easier for states to provide education, vocational rehabilitation, health, employment and training, child welfare, and other social services to families. HHS has also promised to review state requests for Medicaid and AFDC waivers in less than 120 days.

Many skeptics of reinventing government thought that the initiative would fail because Congress would interfere. While Congress and the executive branch have had their dis-

Government is Starting to Work Better

- Over 90 percent of National Performance Review recommendations are under way.
- The President has signed 22 directives, as well as performance agreements with seven agency heads.
- Over 100 agencies are publishing customer service standards.
- Nine agencies have started major streamlining initiatives.
- Agencies are forming labor-management partnerships with their unions.
- Agencies are slashing red tape.
- The government is buying fewer "designer" products and doing more common-sense commercial buying.
- 135 "reinvention laboratories" throughout the federal government are fostering innovation.
- The government is shifting billions of dollars in benefits to electronic payment.
- The federal government is changing the way it interacts with state and local governments.

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agreements, Congress has made significant contributions this year as well. The Clinton Administration chose to implement most of the NPR recommendations through the 1995 budget process, through which they could contribute to the twin goals of improving management and operating within the tight spending caps in the 1993 budget act. The results have been significant:

- President Clinton and Congress enacted 21 NPR-related laws, including one to authorize the first governmentwide buyouts of federal employees. (See Appendix D.)
- Congress has passed legislation that allows state and local governments greater flexibility in the following areas: school grants, child immunization, family support, and human services.
- The President and Congress are poised to enact sweeping legislation to overhaul federal procurement, freeing federal managers to buy what they need more quickly, more easily — and at better prices.
- Not counting the 21 new laws, 47 NPR-recommended actions in 11 bills have passed both houses; 46 others have passed one house; and congressional panels held more than 80 hearings on NPR recommendations. (See Appendix D.)

Government also is starting to cost less. The President and Congress have enacted legislation to cut the deficit in half, eliminate wasteful programs, and shrink the federal workforce to its lowest level since John F. Kennedy was President. Across government, agencies and employees have found creative new ways to save money and operate more efficiently.

- The Administration obtained $46.9 billion of the $108 billion in savings over five years that the NPR outlined. Almost all of these savings come from personnel cuts enacted into law in March 1994. (See Appendix C.)
- Another $16 billion in NPR-recommended savings have passed at least one house of Congress. Most of these savings come from the procurement bill awaiting final House action. (See Appendix C.)
- An estimated 71,000 full-time equivalent (FTE) positions were eliminated through buyouts and other management techniques — a huge step toward NPR's proposed workforce reduction of 252,000 (which the President and Congress later raised to 272,900).
- The President and Congress killed federal subsidies for wool and mohair, saving an estimated $695 million over five years.
- The government is saving $50 every time it purchases a small item by

Congress is Doing its Part

- **Congress has enacted 21 NPR-related laws, including the first-ever governmentwide "buyout" authority, and mandated cuts in the federal workforce.**
- **Congress has provided increased flexibility for a variety of programs involving state and local government.**
- **Congress is about to enact the most significant procurement reform in a decade.**
- **47 NPR-related actions passed both houses.**
- **Another 46 passed one house.**
- **Congress held more than 80 hearings on various NPR recommendations.**

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Government is Starting to Cost Less

- **$46.9 billion of NPR's $108 billion in proposed savings are already enacted.**
- **$16 billion in savings is pending before Congress.**
- **Federal employment has dropped 71,000 positions.**
- **$695 million in savings results from ending federal subsidies for wool and mohair.**
- **The Defense Department's overhaul of its travel process will save $1 billion over five years.**
- **The Federal Communication Commission's auctions of new radio frequencies are raising millions.**
- **Government's use of a Visa card for small purchases is saving $50 million this year.**

changing its procurement process from paper to Visa cards. This should amount to $50 million in savings so far this year.

- Agencies moved beyond the NPR's recommendations and cut costs or earned money on their own: The Defense Department is streamlining its travel process, saving an estimated $1 billion over five years, while the Federal Communications Commission expects to earn millions, perhaps even billions, from auctioning airway frequencies.

NOT SITTING ON A SHELF

It was a hot, sunny day on the South Lawn of the White House last September when the Vice President, standing before forklifts of personnel, budget, and procurement manuals, submitted the 168-page report to President Clinton and said,

> *The National Performance Review is about change. It will get us moving from red tape to results. It will result in a customer service contract with the American people, one that demonstrates to taxpayers that their tax dollars will be treated with respect for the hard work that earned them.*[2]

The report was more than a description of new procedures, presidential directives, and legislative proposals. It was a call to arms for federal employees; a challenge to the entire federal government; and a promise of something better for government's customers — the American people. It was, in fact, the first leg of a long but exciting journey, one inspired by the onset of the information age and other global technological changes. As successful businesses have learned, the demands that any large organization now faces require that it replace top-down, command-and-control structures with leaner, flatter structures that empower workers, respond to customers, and strive to make better products.

Among journalists, scholars, and the public, reaction to the report was overwhelmingly positive. In September alone, the report climbed aboard the *New York Times* bestseller list, two publishers reprinted it, and more than 100,000 copies were downloaded from the Internet computer network.[3] Max DePree, author of the popular *Leadership is an Art*, called it "the best book on management available in America."[4] In December, the General Accounting Office announced that it disagreed with only one of NPR's 384 recommendations.[5]

Still, skeptics voiced doubts. Hadn't the nation tried this before, they asked. Yes, to some extent, it had. Indeed, as Defense Secretary William J. Perry put it earlier this year, "Many people have vowed to reform the government, but after they start that undertaking they mysteriously disappear, never to be heard from again. It's as if they had decided to take a vacation in Jurassic Park."[6]

More important than the contents of any report is the follow-through. Previously,

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Vice President Gore presents NPR's report to President Clinton in September 1993 at the White House.

even the government's best reports on reform gathered dust on shelves. But, in putting Vice President Gore in charge, the President signalled the importance with which he viewed not just the report, but its implementation. As he noted in a March 1994 White House ceremony:

> *Here's the most important reason why this report is different from earlier ones on government reform. When Herbert Hoover finished the Hoover Commission, he went back to Stanford. When Peter Grace finished the Grace Commission, he went back to New York City. But when the Vice President finished his report, he had to go back to his office — 20 feet from mine — and go back to working to turn the recommendations into reality.*

Still, the Administration's commitment should not blind Americans to the magnitude of the task. If nothing else, the sheer size of the federal government makes the task of reinventing it huge. Overall, federal spending exceeds 23 percent of the economy. The Departments of Health and Human Services, Defense, and the Treasury *each* spend nearly three times annually what America's largest corporation, General Motors,[8] takes in in revenue.

Moreover, reinventing government is unlike other Administration initiatives. It does not begin and end with one piece of legislation; nor can the Administration declare victory by winning one up-or-down vote in Congress. It is, rather, a process of continuous improvement, one expected to last for more than a decade.

Because of significant deficit reductions that President Clinton pressed in his first year, the federal government will operate in an environment of unprecedented fiscal stringency for the foreseeable future. In this environment, NPR provides the management principles through which the

government can do better with less — that is, provide the services Americans want more efficiently and effectively. Only by doing so can government earn back the trust of Americans.

Underlying much of this effort are thousands of federal workers. They have worked in teams and alone, pushing new ideas and reviving old ones that were long ago ignored. As you will see in the following pages, their stories are heart-warming — and sometimes more than a little humorous. Most of all, they inspire hope about the future.

Their progress is captured in the ensuing sections of this report:

- "Culture Change: Reinventing the Federal Government" looks at the few agencies that have turned their structures and processes upside down and, as a result, transformed themselves into entirely new organizations.
- "Progress Report" discusses the government's progress in pursuing NPR's four main themes: putting customers first, empowering employees to get results, cutting red tape, and cutting back to basics.

WHAT'S AT STAKE

Why are all these people reinventing government? For one thing, Americans have every right to a government that "works better and costs less." They did not fight and win the Cold War for democratic values — paying trillions in taxes over the last half-century — only to give up without a fight when their government is broken.

The cause, however, extends far beyond the common complaints of high taxes and poor service. At issue is the very idea of self-governance, of a free people coming together — often through the instrument of government — to solve its problems. Public confidence in government has sunk to frightening levels. Thirty years ago, when asked whether they trust government to do the right thing, 76 percent of Americans said yes. Today, only 20 percent say so.

Can the federal government, alone, solve all of the nation's problems? Hardly. It needs the help of states, cities, schools, churches and synagogues, businesses, civic groups, nonprofit organizations, and other institutions that can work together and impart healthy values to the young. Most of all, it must rely on individuals and families.

But, just as certainly, the federal government has a role to play on a wide spectrum of challenges — helping to spur economic growth, provide wider access to affordable health care, devise a long-term solution to crime, and so on. And without public trust in the federal government, Americans will not deploy it to help reach those goals.

The nation, then, faces a challenge — to re-establish confidence not only in its government but in itself as a free people. It can do so only by dramatically changing the way the federal government works.

CULTURE CHANGE: REINVENTING THE FEDERAL GOVERNMENT

Culture Change: Reinventing the Federal Government

I wanted to make this an exciting place to work. And what's exciting is to be able to accomplish something. . . . I really believe that when I leave, this will be a better organization.

Dan Beard
Commissioner
Bureau of Reclamation

At first blush, Dan Beard does not fit the mold of a revolutionary. The 51-year-old Beard worked in Washington, D.C., as a researcher with the Congressional Research Service, a House staff director, a top aide to House and Senate members, a member of the White House domestic policy staff, and a senior official in the Interior Department before President Clinton picked him to be commissioner of Interior's Bureau of Reclamation.

Nor did the circumstances he faced lend themselves to revolutionary activity — at least of the kind Beard envisioned. As scholars and NPR itself have written, Washington has become a city far more accustomed to adding more of the same — programs, activities, agencies, bureaucracies — than subtracting. Faced with a problem, the federal government's answer has been merely to add a layer of new onto the old. Even such anti-government leaders as President Reagan could not reverse the trend.[1]

But Beard understood the bureau's problems from his days on Capitol Hill. It was, he thought, a "diamond in the rough,"[2] a misguided but potentially wonderful agency. While the bureau still focused on building dams, public support for large public works projects had waned. What the bureau had to become, he thought, was "the preeminent water resource management agency in the world."[3] And when President Clinton stated his desire to change government, Beard assumed he meant it. Determined to fulfill Interior Secretary Bruce Babbitt's goal of reinventing the bureau, Beard began to dramatically streamline and refashion his organization.[4]

From his arrival in May 1993, Beard set a new tone, beginning with the blunt message he articulated. "We're going to have fewer people, fewer dollars, and more work," he told his employees. "And our challenge is to find a way to deal with that creatively."

When Beard arrived, the bureau had two headquarters — one in Washington with about 85 people, another in Denver with about 2,000. While Washington handled the bureau's budget, contracts, and other administrative matters, Denver ruled on requests — e.g., to build a dam — from any of the bureau's 35 field offices. Beard turned the process upside down. He shifted authority to the field offices and transformed the Denver office from a headquarters to a customer service-based organization for the field; rather than rule on requests, it would provide advice. Beard told field offices that if they wanted help from Denver, they'd have

to buy it. But to ensure that Denver kept its prices competitive, he authorized field offices to get their help elsewhere. Overall, Beard cut the number of headquarters offices from 217 to just 51 and reduced the number of headquarters employees from more than 2,000 to fewer than 100.

Beard's agencywide changes have been equally eye-opening. He reduced the overall staff from 7,500 to 6,500; cut management layers from five to three; lowered the supervisor-employee ratio from 1:5 to 1:15; abolished the seven highest positions under him (replacing them with three new ones); cut the number of senior executive service (SES) positions from 23 to 16; and transformed 25 of the 35 field offices into "area" offices, with increased authority and responsibility.

But a streamlined operation is just one element of Beard's revolution. What the commissioner has launched is, in essence, a culture change, one that transcends jurisdictional boundaries and encourages employees to think creatively about how to do their jobs better. At his initiative, teams of workers developed all of the bureau's new organizational structures, work processes, and implementation plans.

To increase staff input, Beard distributes what he calls "How Am I Doing?" cards. On one side is a series of questions about intrabureau communication, cooperation, empowerment, and recognition and rewards. The other side, under the heading "Make A Difference — Talk Back to Dan," asks staffers for their ideas and for suggestions about what they would like to see more or less of. He has received more than 700 responses, each of which he answers. Beard also has launched a bureauwide effort to eliminate burdensome regulations, asking all employees for their thoughts and creating a special electronic mailbox to receive them.

To encourage his senior managers to take risks, Beard gave them "forgiveness coupons" that they can cash in upon making a mistake. ("It is easier to get forgiveness . . . than permission," they read.) He also created an "Enterprise Fund" to allow managers to keep some of the savings they generate through their entrepreneurship to invest in special programs and environmental expansion projects. The savings also will cut costs for customers.

Those customers are already seeing other results: Suburban water users in Santa Barbara are getting quicker decisions about water supplies. And the bureau is conducting its safety inspections more quickly.

"A Single Spawning Season"

At the Bureau of Reclamation, where Commissioner Dan Beard has delegated vast amounts of authority, some workers are taking their newfound freedom seriously. Consider Roger Patterson, a regional director who helped to change the approval process for building fish ladders.

The ladders allow fish to climb a dam in order to swim upstream and lay their eggs; salmon and steelhead use them to climb the Bonneville Dam between Washington and Oregon and the Red Bluff Dam in California.

Unfortunately, to approve construction of a fish ladder, the bureau used to take 21 steps over three years — the life expectancy of salmon. As Patterson told President Clinton about the process, "It wasted a lot of time. It wasted a lot of money. And it wasted a lot of fish."[5]

With Beard's approval, Patterson and his colleagues in the Sacramento office cut the approval process to eight steps in under six months. Once, approval took a fish's lifetime. Now, it's a single spawning season.

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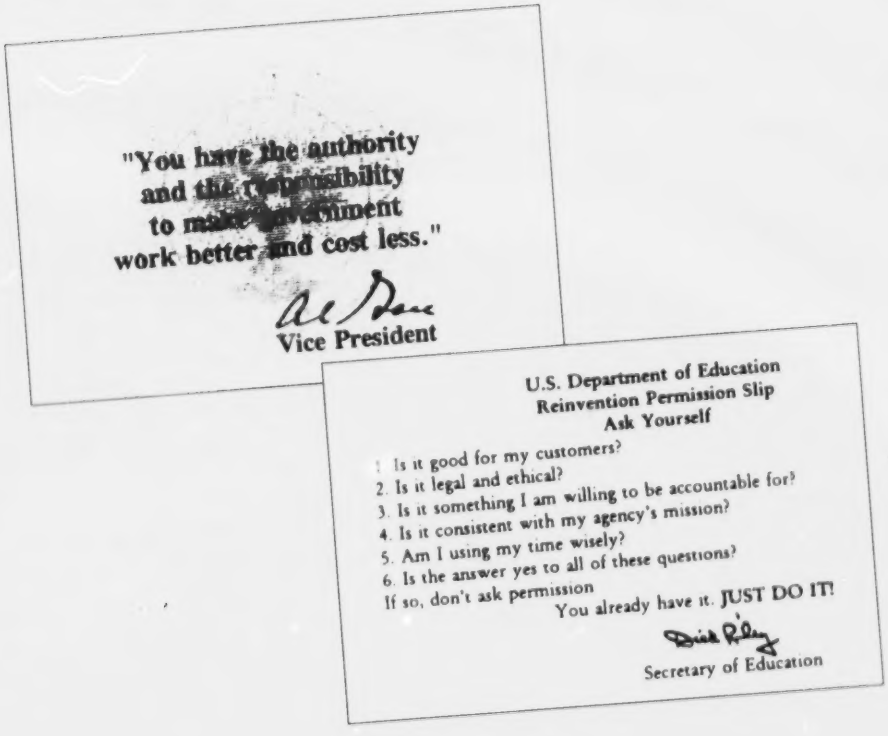
CATALYSTS OF REINVENTION

Beard's revolution (and the other cultural changes discussed in this chapter) puts the lie to the popular caricature of federal workers as lazy, incompetent bureaucrats. At the Bureau of Reclamation, the Federal Emergency Management Agency, and other agencies, it was the *systems* of government that were broken. The burdensome and misguided rules and procedures kept leaders, managers, and front-line workers tied in red tape, unable to perform their jobs and fulfill their agencies' missions.

The workers? There was nothing wrong with them — nothing, that is, that a dose of leadership and a healthy infusion of empowerment would not cure. After all, the same workers who had labored under these broken systems, earning the disdain of Americans far and wide, were the ones who either launched the effort at culture change or are now trying to institutionalize it. No longer "trapped in bad systems," as Vice President Gore puts it, they are now the very people who are "creating a government that works better and costs less."

But most federal workers, battered into submission by the longstanding rules that govern them, are understandably wary of reinvention. All too often, they have stuck out their necks, only to have their heads chopped off. What they need is a clear sign to think anew, to volunteer their ideas without fear of retribution. The sign can be as simple as Beard's forgiveness coupons — or the "permission slips" that Education Secretary Richard W. Riley and Commerce Secretary Ronald H. Brown have issued (see illustration).

U.S. Department of Education Reinvention Permission Slip


"You have the authority
and the responsibility
to make government
work better and cost less."
Vice President
U.S. Department of Education
Reinvention Permission Slip
Ask Yourself
1. Is it good for my customers?
2. Is it legal and ethical?
3. Is it something I am willing to be accountable for?
4. Is it consistent with my agency's mission?
5. Am I using my time wisely?
6. Is the answer yes to all of these questions?
If so, don't ask permission
You already have it. JUST DO IT!
Secretary of Education

Permission to Pay

The Commerce Department's scientific laboratory in Boulder, Colorado, has an arrangement with the University of Colorado designed to attract the brightest young women and minority science and engineering students into government careers. The students work in the lab between classes. Many are hired full-time after graduation.

The problems start when the lab tries to pay the tuition. This entails a three-month-long bureaucratic ritual, with paperwork making three cross-country trips between Boulder and Washington to accumulate signature after signature, approval after approval, by grant specialists and procurement specialists and lawyers, by the Financial Assistance Review Board, by the offices of the inspector general and congressional affairs, and on and on.

No one has ever been disapproved. But some of the students get pretty nervous when months go by without their tuition being paid. Luckily, the university has been patient; it hasn't dropped anyone for non-payment.

Armed with a "Permission Slip," Boulder's Reinvention Coordinator Paige Gilbert thought up a better way, and "just did it." This semester, she is skipping all the red tape and just paying the bill. That should take about two minutes. The scientists who are accountable for spending millions of dollars of project money will also be accountable for the students they select.

Spurred to action, government's reinventors are like scientists in a laboratory. They experiment, try out ideas, and adjust accordingly. Naturally, then, a big part of reinvention revolves around the "reinvention labs" that departments and agencies have created at Vice President Gore's suggestion.

From the Agriculture Department to the Pentagon, the General Services Administration to the Tennessee Valley Authority, federal agencies have designated 135 programs and units as laboratories. They are trying to cut red tape, empower their workers, and cut costs, all with an eye on serving their customers better.

Four agencies (along with the Bureau of Reclamation) have taken the thrust of NPR most to heart — the Federal Emergency Management Agency, the Labor Department, the Customs Service, and the Department of Housing and Urban Development. They have either transformed their organizations or taken several big steps along the way.

IN RECOVERY: FEDERAL EMERGENCY MANAGEMENT AGENCY

"Currently, FEMA is like a patient in triage," the National Academy of Public Administration wrote in early 1993. "The President and Congress must decide whether to treat it or let it die."[6]

Buffeted by criticism, its resources stretched by an unusual string of natural disasters, FEMA was an agency in serious peril when James Lee Witt arrived as its director in early 1993. Witt, who directed the Arkansas Office of Emergency Services under then-Governor Bill Clinton, took the criticism seriously and sprung into action.

Witt reached out to both his dispirited corps and outside critics. On his first day, he greeted each member of his headquarters staff as he or she arrived. Then, he began meeting with program heads and regional directors and bringing lower-level staff from across the country to Washington for training and discussions. He encouraged input

from individual employees — through inter-office mail, confidential visits, and brown-bag lunches — and from the unions.

On Capitol Hill, Witt testified before six committees and subcommittees in his first 100 days, and he met with the chairs and staffs of the key panels. He reached out to state and local governments as well as professional groups that play key roles in emergency management. And he began to initiate cooperative relationships with such agencies as the National Weather Service and U.S. Geological Survey.

Internally, Witt tackled the tough problems of reviving an agency. He issued his credo, which talks about the partnerships that FEMA needs to build before, during, and after a disaster strikes. "FEMA," it concludes, "is a Partnership of . . . People Helping People."[8] With broad employee involvement, Witt also launched an effort to rewrite FEMA's "mission" statement and give the agency its first "vision" statement, one designed to last for the next 50 years.

To encourage innovation, quality, and responsiveness to its customers, Witt declared all of FEMA to be a "reinvention lab." In addition, he sought suggestions for intra-FEMA "mini-labs"; the agency plans to approve about 10 of the 30 proposed.

In perhaps his biggest challenge, Witt launched an effort to reorganize FEMA in order to better serve disaster victims, reduce layers of supervision, empower employees, and realign resources to more effectively achieve FEMA's mission and the director's goals. The new organizational structure, which became effective in late 1993, integrated several previously separate functions into a new "all-hazards" program. In addition, it eliminated two layers of organization, cut the number of supervisors by 34 percent, lowered the supervisor-employee ratio from about 1:6 to 1:13, and increased the speed and responsiveness of services to disaster victims. After adopting the new structure, Witt appointed acting heads of his various "directorates" (mitigation, response and recovery operations, and so on) and ordered them to restructure their own internal operations.

Its structure redesigned, its employees energized, FEMA is now serving more disaster victims than ever before. But numbers are just, well, numbers. They don't tell you whether the people behind them are satisfied customers. FEMA has begun a two-pronged effort to find out. First, it is conducting focus groups with disaster victims and officials in states and counties, the Red Cross, and other relevant organizations in Los Angeles, Miami, the Midwest, and other places where disasters have recently hit. Second, it distributed 5,000 customer surveys to disaster victims. It evaluated the responses and incorporated the findings into FEMA's customer service plan.

Even positive responses to the surveys would not capture the culture change that has swept FEMA. To understand it, you have to look at its employees, many of whom performed heroically after the Northridge earthquake in Los Angeles, sacrificing their time and money to calm the victims, answer their queries, and find them food and shelter.

For instance, Raquel Nicholson, an employee in the Crenshaw Disaster Application Center, adopted the Inesa family. She and her colleagues shared their lunches with the hungry family and obtained donations of clothing, diapers, and other baby needs from a local church. Phil Cogan worked 18- to 20-hour days developing and implementing the Recovery Channel and designing and supervising operation of the 140-person Joint Information Center in Pasadena, the largest such facility ever operated in connection with a U.S. disaster.

Anita Finnegan heard that a resident of a Los Angeles apartment building needed information about FEMA. During a visit she learned about Cecelia, a 38-year-old woman who was seriously disabled by severe medical problems. Though Cecelia's particular apartment was badly damaged, her building was ineligible for assistance. Finnegan first arranged for a reinspection of the unit, making Cecelia eligible for help. Then, she brought Cecelia to an Earthquake Service Center and an American Red Cross Service

DOE Lets the Light Shine In

Secrecy and invisibility were the Energy Department's legacy for half a century. But when Secretary Hazel O'Leary took charge, the doors began to open and the lights were turned on. Wherever they weren't absolutely needed, security doors — including those in O'Leary's office — came down. The Department is declassifying decades-old secrets on a routine basis. In one effort alone, it recently reviewed 1.7 million pages and declassified 93 percent. Another 11,000 documents concerning radiation experiments on humans have been found and are being made available to the public.

Center, helped to usher Cecelia into the Section 8 Housing Program, helped to find her a new apartment, and arranged for her to receive service from Meals on Wheels. She even put together for her a "care package" of shampoos, lotions, and soaps. Finnegan continues to visit Cecelia often.

FEMA's revival did not escape attention from the media or Congress. "Emergency Agency Praised for a Change, on Flooding," the *New York Times* reported, referring to FEMA's handling of the Midwest's 1993 floods. Similar praise followed FEMA's response to the Northridge earthquake. One member of Congress was impressed enough to withdraw his bill to abolish the agency.[9]

PUNCHING THE CLOCK— NOT: DEPARTMENT OF LABOR

Grabbing lunch in the employees' dining room shortly after taking office, Labor Secretary Robert Reich struck up a conversation while waiting in line to pay.

"What do you do?" Reich asked a woman.

"I'm a clerk-typist," she replied. "What do *you* do?"

"I'm the secretary," he said.

"To whom?" she asked.

You could hardly blame the woman for her confusion. She probably had never seen the department's secretary in that room before.

In the old days — that is, the days before Reich took charge — the department's executive staff could eat in the executive dining room, on the second floor of its Constitution Avenue building. But Reich closed the dining room soon after arriving.[10]

The department's employees have begun to transform the institution.[11] Once, 3,243 pages of regulations, filling 22 volumes, set the rules for virtually everything imaginable. A task force cut 2,400 pages out of them — a whopping 73 percent. (Reich says he'd like to reduce the regulations to just one card.) No more special forms for traveling employees to get reimbursed for phone calls. No more reviews by department headquarters of every personnel award. No more written reports on conferences attended by more than nine employees. And, unless you take leave or work overtime, no more time cards. That step alone eliminates 14,000 documents that used to fly around the system every two weeks.

At Labor's Pension and Welfare Benefits Administration, field workers now spend more time doing their jobs — and less writing meaningless reports that, for the most part, serve no useful purpose. Rather than write quarterly reports on each of their investigations — reports that totaled nearly 5,000 each quarter — they report on only their top 20 investigations. Also at Pension and Welfare Benefits, workers now can discuss their investigations of company pension funds with the company, thus enabling them to clear up misunderstandings *before* submitting their reports.

The department's transformation, however, is not just geared to helping its employees. The changes are beginning to help

its customers — the worker who needs safety and health protection, the laid-off worker who seeks retraining to switch occupations, and so on.

To learn what it's doing right and wrong, the department has been surveying various sets of customers. The Employment and Training Administration, which surveyed laid-off workers, discovered that 43 percent did not find its services either extremely or very helpful; Reich set a goal of cutting that figure by 10 percent this fall.

Similarly, the Bureau of Labor Statistics surveyed 30,000 users of its data on the consumer price index and found that they needed the information quicker than they were receiving it. They had to wait three weeks for summary data and six weeks for the details. Since the bureau's customer focus team streamlined the process, the bureau is sending its summary nine days sooner and the details 16 days sooner.

In *From Red Tape to Results*, NPR proposed the creation of competitive, one-stop career development centers for all Americans. "Nowhere on the government reinvention front is action more urgently needed," the report said, "or are potential rewards greater."[12] The Administration's Reemployment Act of 1994, submitted to Congress in March, does just this. The bill sets the framework for a nationwide system of one-stop career centers serving all Americans. In these centers, job seekers can get all the information they need on job opportunities, skill requirements, and training providers, and they can determine their eligibility for federal employment and training programs.

Program consolidation is another way of cutting through red tape. The General Accounting Office has identified over 154 federal employment and training programs, through which 14 departments and agencies spend $25 billion a year.[13] To create an employment and training system from all these programs, the Administration has to coordinate, consolidate, or eliminate programs with a variety of purposes, target populations, and services. The Administration's Reemployment Act took a first step toward program consolidation. It combines six Labor Deparment programs for dislocated workers into a single program that provides a comprehensive package of reemployment and training to all dislocated workers, regardless of the reason for their job loss.

On Capitol Hill, key lawmakers also expressed interest in consolidating employment and training programs. Senate Labor and Human Resources Committee Chairman Edward M. Kennedy, D-Massachusetts, and the panel's ranking Republican, Nancy L. Kassebaum, R-Kansas, are working on a joint measure to bring together many of these programs, including some in other committees' jurisdictions.[14]

Even before Congress began debating the Administration's and other proposals, Reich moved to consolidate his own department's services around the concept of one-stop shopping. Rather than rely on separate "smokestack" programs — in such vertical hierarchies as the Employment Service, Unemployment Insurance Service, and Office of Trade Adjustment Assistance — the department is reorganizing its services around customer needs. No longer, for instance, will a laid-off worker have to go to separate offices to apply for different benefits. "It doesn't matter what particular smokestack they qualify for," Reich told the Vice President. "They ought to get all [of their services] in one place at one time."[15]

Meanwhile, 3,000 miles from the Washington culture, Labor Department employees applied the concept of one-stop shopping in response to a massive layoff by one of the Seattle area's largest employers. The story, which appears in the box "Like a Crisis Hotline," serves as an important lesson on how the concept can work more broadly.

"Like a Crisis Hotline"

In the Pacific Northwest, Labor Department employees have aggressively pursued the NPR's concept of one-stop shopping for jobless workers, completely overhauling some of their obsolete processes.

Their success offers an important lesson for would-be reinventors: Rather than accept the existing government systems as a starting point, start first by focusing on customers — in this case, the laid-off workers — and then build a new system to serve them.

Facing the prospect of 19,000 newly unemployed Boeing workers, 12,000 of whom needed comprehensive services, the Region Ten office in Seattle foresaw that available services would prove inadequate. In response, they created a broad-based partnership of the Labor Department, Washington State agencies, community and technical colleges, the company, and several unions. The goal: to use federal, state, local, and private resources to create easily accessible, one-stop career centers, targeted to the laid-off workers.

As Region Ten's employees understood, government could not do the job alone. "It just wasn't possible to fund all of the needs of the dislocated workers," said Gary De Rosa, a DOL dislocated worker specialist in Seattle. "We had to leverage scarce public resources. . . and put together a partnership."[16]

Now, the jobless worker can take advantage of unemployment insurance and such employment services as job searches, explorations of career options, resume writing, classes on interviewing, and job placements. Rather than force the jobless to spend their own money, these centers provide copy and fax machines, computers, and long-distance phone services; workers at the centers not only teach their customers about the computers, but also provide the needed pats on the back and other personal encouragement.

The human element is crucial. As Paulette Alston, a counselor at the Boeing Reemployment Center, put it, "You have to be very creative in that you're working with individual lives, you're dealing with dislocated workers and high emotions."[17]

Indeed they were, as Karen Ayers, a laid-off Boeing worker who found a new job through the Boeing Reemployment Center, told Vice President Gore.

"And you felt like you were really cared for as a person?" he asked.

"I was! I was! I mean, it was like a crisis hotline," Ayers replied.

After some laughter, she went on:

> *There was a time when I was really depressed, when it was sinking in that I was laid off, and really feeling sorry for myself. And I talked to a lady on the phone that I had never even met, and was telling her that I was concerned because unemployment was running out, and I didn't have a job yet, and I was starting to panic. And she was absolutely wonderful. It was the Friday before Easter, and she told me to come in after the weekend. We were going to do my resume, we were going to go through the Jobnet system, which links into a computer, things I hadn't even thought of.*[18]

To date, some 5,000 former Boeing workers have tapped into the centers.

PEOPLE, PROCESSES, AND PARTNERSHIPS: CUSTOMS SERVICE

After Commissioner George Weise had met every Saturday for some time with the Customs Service's Reorganization Study Team to kick around ideas, its members began referring to Weise's ideas as "what the commissioner wants."

In response, Weise told the team that his ideas should not carry more weight than any others; the team should diagnose the

problems at Customs and devise a workable solution. Unaccustomed to such empowerment, the employees had fallen into a familiar role, gravitating to the boss's ideas in order to keep him happy. Now, they have joined with him in a top-to-bottom effort to turn Customs around and give it a push in the right direction.

Customs has a proud history. Before the 16th Amendment to the Constitution, the government relied heavily on tariffs and duties, making Customs its most important revenue-collecting agency. Today, it collects more than $20 billion in duties a year, enforces about 500 laws (on consumer safety, agriculture, the environment, and other matters), serves as the lead agency among 40 in regulating international trade, protects the border against illegal imports and smuggling, and collects trade statistics.

But its recent record leaves much to be desired. As a *National Journal* article noted in June:

> *No one questions that the Customs Service is an ideal candidate for overhaul. It's been dogged by complaints from U.S. industries of unenforced trade law violations. Investigators for the General Accounting Office (GAO) have concluded that its lax enforcement methods jeopardize the health and safety of American citizens and expose U.S. industry to a flood of illegal imports. And on a whole host of other fronts, it's gotten the kind of press that no government agency could envy.*[19]

Just when things couldn't get worse, however, they now hold the promise of getting much better. Several years ago, employees began to lay the groundwork as they crafted legislation to free the agency of outmoded rules and regulations. Then Weise, a Customs import specialist in Baltimore two decades ago, returned in May 1993 to capitalize on those efforts, launching what he calls "the most significant reform for Customs in the last 30 years."[20]

Early on, Weise's recent experience as staff director of the House Ways and Means Trade Subcommittee came in handy. In a risky gambit, he hitched the agency's horse to the North American Free Trade Agreement, to which he asked Congress to attach the 1993 Customs Modernization and Informed Compliance Act. At the time, Congress' approval of NAFTA was no sure bet, and some Customs officials advised against the strategy. Weise, however, stuck to his guns.

Put simply, the act helped Customs move into the modern age. Upon creating Customs in 1789, leaders of the new nation decided that the agency would be involved in every international transaction. They also directed that importers submit to Customs reports on those transactions in writing. What made sense two centuries ago, however, hardly makes sense today, a time of increasingly global commerce. The modernization act freed Customs from transaction-by-transaction processing, allowing importers to submit monthly summaries of transactions and make duty payments monthly. It also allowed Customs to move to total electronic government, as it's doing.

Weise's experience came in handy in another case. For years, Congress had barred Customs from even studying a restructuring of its organization. By mid-1993, though, Weise had convinced lawmakers to lift the restriction, allowing the commissioner to create the Reorganization Study Team in October 1993. With an eye on customer service, less management overhead, and better internal operations, the team crafted recommendations on restructuring the agency.

In a July 1994 report, it proposed replacing its seven regions and 44 districts with 20 Customs Management Centers, creating five Strategic Trade Centers, and setting a framework to cut headquarters staffing by a third. At least as important, the team said Customs needs to "transform our culture to one based on People, Processes, and Partnerships."[21] To do so, it said, the agency must strengthen existing partnerships and form new ones with the National Treasury Employees Union; involve managers, employees, and customers in its processes; reach out to the trade and other communities; reward better customer service; and use effective measurement techniques.

Good Enough to Advertise

Much of what the federal government does is enforce the law — whether collecting taxes, protecting civil rights, or ensuring that companies don't pollute. But the government need not forget the legitimate needs of those on the receiving end. With a less confrontational approach, in fact, it actually can improve its enforcement.

Consider the Customs Service's district office in Miami, where not long ago the government's legitimate desire to catch drug smugglers prompted Customs employees to make life difficult for shippers and traders of all stripes. Then Director Lynn Gordon, who arrived in 1990, chose a different approach that, in the end, increased Customs' success not only in catching smugglers but in enforcing other laws.[22]

South Florida is the nation's center of cocaine smuggling, where 40 percent of interdicted cocaine is seized. But the challenges facing the Miami district extend far beyond drugs. Trade is Dade County's biggest industry; travel and tourism rank second. Miami ranks first in the nation in international air cargo, eighth in ocean cargo. A large share of its imports are perishables — fruit, vegetables, flowers, and fish — that require immediate processing.

Customs once needed many hours, sometimes days, to clear shipments through Miami. Now, it often can do so in a half hour, satisfy its shippers, and increase compliance with the law. Gordon learned that businessmen were just as concerned about illegal drugs as was Customs, and they complained that Customs' delays in processing passengers and cargo were giving the city a bad reputation for doing business.

In response, Customs officials began to meet about 50 times a year with the trade community, reviewing rules and regulations. Customs advertised the meetings in local publications and distributed notices to the major interests with which it deals. Over 6,000 individuals have participated. Violations, such as incorrectly marking a cargo's country of origin, dropped dramatically among those who attended the meetings.

The service, which extensively automated its systems, now works with carriers on their anti-drug efforts. Some carriers give Customs computerized lists of their passengers, allowing the agency to cross-check the names for suspicious characters. Although most passengers walk through in less than five minutes, Customs in Miami has seized 6,000 pounds of narcotics from passengers this year.

Finally, Customs has focused heavily on customer service. It has set ambitious delivery times for various categories — e.g., five minutes or less for a passenger to clear Customs, 24 hours for containerized cargo — and established 24-hour-a-day service for perishable cargo. Because Miami has so many residents and travelers who speak Spanish, Customs recruits heavily for Spanish-speaking employees.

How good is the service these days? Good enough that the Port of Miami and Miami International Airport now advertise that the city's Customs office works efficiently and works with the trade community.

Recently, Customs has expanded some existing customer service initiatives and launched a slew of new ones. It has held more public meetings to discuss major issues, opportunities, and initiatives; conducted customer surveys in major airports; and tested the use of customer service representatives at major airports.

Although culture change is a long-term process, Customs has taken the first steps. The box "Good Enough to Advertise" examines the culture change that has swept through its Miami district office.

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CUSTOMERS ON TOP: DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

In *Reinventing HUD*,[23] the Department of Housing and Urban Development illustrates its plans to revitalize and restructure itself with a series of charts. Along with the usual collection of square and rectangular boxes and straight and dotted lines, the reader can't help but notice the contents of one box at the top of every chart. It reads simply "CUSTOMER(S)."

By itself, that one word captures the sweeping changes that Secretary Henry Cisneros is bringing to the much-maligned agency, the site not only of past scandals but of serious management problems. In the true spirit of *From Red Tape to Results*, Cisneros has sought to make better customer service HUD's bottom line. All of its reinventing efforts are geared to that goal.

HUD is an agency to which change has not come easily; the problems were perhaps more entrenched there than anywhere else. Look at what the National Academy of Public Administration said recently about the problems HUD faced in the 1980s and early 1990s:

> *Its resources eroded as society's problems grew, management systems became increasingly outdated, and the number of programs increased and were targeted to more specific purposes. HUD, more than other federal departments, was grossly mismanaged.*[24]

To launch his turnaround, Cisneros has used his performance agreement with President Clinton to connect every HUD employee with not just the secretary's goals but the Administration's overall priorities. How? First of all, the agreement reflects the Administration's commitments, as developed by the President's domestic policy staff, to "community, family, economic lift, balanced individual rights and responsibilities, and elimination of artificial barriers that have physically divided Americans by race and income."[25]

To implement these principles, HUD's 13,000 employees adopted the following mission: "To help people create communities of opportunity." Then, to accomplish it, Cisneros signed a performance agreement that lists six goals, which have set the framework for HUD's organizational and other changes:

- assist homeless persons and families;
- reduce the number of distressed public housing units;
- develop affordable housing and make homeownership a reality for more Americans;
- reduce racial barriers;
- empower communities; and
- create an environment that supports teamwork and organizational excellence.

To help reorganize the department, a process that began in early 1993, a HUD Reinvention Task Force solicited and received thousands of suggestions from HUD's employees and outside organizations. Then, in late 1993, the NPR recommended that HUD streamline its regional structure, consolidate its field structure, and gradually cut its workforce by the end of fiscal 1999. In its reorganization, HUD sought to comply with those recommendations.

In April, Cisneros eliminated HUD's 10 regional bureaucracies, which had served only as an unneeded layer of decisionmaking. Cisneros also announced plans to eliminate 1,500 positions. HUD is shifting staff and resources to its 81 field offices and increasing those offices' authority and responsibility to work with states and communities. It designated 52 of the 81 as state offices (to coordinate programs with states, Washington, D.C., and Puerto Rico) and the rest as area offices. HUD also identified 10 "secretary's representatives" to work as the secretary's eyes and ears, and to work with states and interest groups to tailor HUD programs to meet the needs of communities.

Also, after discussions with its managers, union officials, employees, and customers,

HUD has begun to reorganize its four main program offices — Housing/FHA, Public and Indian Housing, Community Planning and Development, and Fair Housing and Equal Opportunity:

- In the Office of Housing, a team drafted a plan to reorganize field office operations along housing's two major lines of business: single-family and multifamily.
- In the Office of Public and Indian Housing, HUD gave new line authority to field staff who work directly with public housing residents. It also sent "change agent teams" into the field to offer training and technical assistance on its reorganization.
- Under its reorganization, the Office of Community Planning and Development seeks to create a bottom-up, client-driven organization that helps to empower communities across the nation. The office is eliminating the regional layer of bureaucracy and focusing field staff more on their customers' needs.
- The Office of Fair Housing and Equal Opportunity is creating Fair Housing Enforcement Centers as well as Program Operations and Compliance Centers. The fair housing centers will accept, refer, and investigate fair housing complaints; the program and compliance centers will ensure that recipients of HUD funds comply with civil rights and equal opportunity laws and policies.

Finally, HUD is creating community empowerment teams in its 81 field offices to work with local and private organizations and citizens, ensuring that HUD's resources are directed where needed. The teams will include representatives of all sectors — residents, developers, state and local governments, foundations, and service providers.

As one HUD employee put it:

> *We have effectively transformed how we do business, from a department primarily dedicated to pushing paper, accepting applications, and largely uninvolved in addressing major urban problems, to a department which is a facilitator, a catalyst for change, and a positive force in rebuilding and revitalizing our nation's communities.*[26]

REINVENTION: A CONTINUOUS PROCESS

The Bureau of Reclamation, FEMA, the Labor Department, the Customs Service, and HUD are at the forefront of reinvention. They represent the kind of top-to-bottom change that NPR hopes to see across government. These agencies will continue to reinvent themselves. They are not done — not by a long shot. In fact, as they

The Roots of Reinvention

The quality movement that transformed American businesses in the past two decades did not completely bypass government. Pockets of excellence appeared in nearly every agency, inspired by visionary civil servants. The Federal Quality Institute was created to promote the principles of quality management.

A great contest began: On one side were those who espouse the benefits of central planning and control, economies of scale, uniformity, and stability. On the other were the advocates of competition, of enthusiasm, of the mental prowess of the laborer, of the power of freedom and incentives. In simpler terms, on one side were those who were trying to make sure nothing ever went wrong; on the other, those who were trying to get things done.

will tell you, they may never finish the job. That's just the point. Reinvention must not be a sideshow, an activity to perform between, say, 10 and 10:15 a.m. It must be the main event, a state of mind that should transcend all activities of work. Federal employees must not reinvent and move on; they must continue to reinvent.

Nor is this a job just for Dan Beard or James Lee Witt or George Weise. It is a job for every federal worker. NPR's goals of better customer service, of worker accountability and empowerment, of less red tape, and of lower costs would be important enough. But, as previously discussed, the stakes are much, much higher.

To be sure, the five agencies discussed in this chapter do not encompass all of the government's reinvention efforts. Rather, they represent the most comprehensive of them. All across government, from the Pentagon to the Small Business Administration, federal employees are finding new ways to conduct the people's business.

While progress is often hard to categorize, these activities generally fall within one of the main themes that NPR outlined last year. So it is to better customer service, to the new federal workforce, to less red tape, and to less red ink that this report now turns.

PROGRESS REPORT

CHAPTER ONE: PUTTING CUSTOMERS FIRST

I just treat people the way I want to be treated, the way I'm treated when I like it.
Mildred Jordon-Briscoe
Requirements analyst
Social Security Administration,
Baltimore

Mildred Jordon-Briscoe was the subject of a letter that Johnson & Johnson, the pharmaceuticals manufacturer in New Brunswick, New Jersey, wrote to Vice President Gore. When company officials called her for information, they wrote, she constantly exceeded their expectations for service. She answered their questions almost before they asked them. Asked later why she works so hard, her response was the one you see above.[1]

Fortunately, Jordon-Briscoe is not alone, even among the Social Security Administration's employees in Baltimore. Jackie Collins-Miller got a call from a woman who had received someone else's check in the mail along with her own. Collins-Miller jumped in her car, picked up the check, mailed it to its owner, and called a few days later to make sure it had arrived. Ronya Rollett helped an elderly woman who had been conned into bringing cash after office hours to a phony SSA representative. Rollett set the woman straight, called the cops, and then took up a collection for the woman's safe cab ride home.

SSA, which in March will become an independent agency under a bill that President Clinton signed into law, is putting the highest premium possible on customer service. After NPR recommended that the agency set customer service standards equal to the best in business, Commissioner Shirley Chater upped the ante to world-class service, equal to or better than anything in the public or private sectors.

The agency was among the first to hang its customer service standard in its offices across the nation. It conducted a nationwide series of customer focus groups, and surveyed 10,000 customers in person or by phone and another 22,000 by mail. And, to get ideas about top-notch service and the barriers to it, SSA also surveyed all 65,000 of its employees and organized discussion groups among thousands of them.

But little compares to what a team of SSA employees is doing to the byzantine process of handling claims from disabled Americans. Before it is resolved, the average claim passes through the hands of 26 workers over 155 days. The actual work on the claim, however, takes only 13 hours — i.e., two work days. The rest of the time, it sits in a box, moves from office to office, or waits in the mail.

But after 155 days, the process is only beginning. Most claims are rejected, prompting their reconsideration, involving

more people, more processing, and more time. By the end of the full appeal process, the average claim is handled by 43 SSA employees over a span of 739 days. As days pass, costs mount. Although the disability program benefits only a fifth of Social Security recipients, it costs more to administer than all other Social Security programs combined. As Vice President Gore told SSA workers, "Even by old-fashioned, unreinvented government standards, this is a terribly arcane and costly system."[2]

That, however, was before a team of 18 federal and state employees began work on reengineering the process. They conducted more than 3,600 interviews with front-line employees, managers, and executives as well as representatives from the medical community, legal aid advocates, and special interest groups. They found that, under the old process, nobody in SSA felt very responsible for the end result. At one office, employees would say that they acted expeditiously, but that they had to wait too long for some other office to do its part. Only when they talked to customers did they focus on the problem — that, taken together, all of the steps served to create the long waits.

When they finished, team members had recommended a new system that promises to cut waiting times by 589 days, or nearly 80 percent. As this story illustrates, the promise of better customer service is the bottom line of the Administration's efforts to reinvent government.

CUSTOMER SERVICE: GOVERNMENT CHANGES ITS APPROACH

For understandable reasons, the government has long sought to satisfy America's taxpayers, to assure them that it is spending their money wisely and economically. But Americans relate to their government not just as taxpayers but in another fundamental way: as "customers," that is, as users of government's goods and services. Social Security recipients, business owners, veterans, disaster victims, unemployed workers, visitors to national parks — these are all customers of one agency or another.

In the last year:

- Agencies have begun to set customer service standards and to survey customers to find out what they want and need.
- The government has begun to use the revolutionary tool of information technology to better serve customers.
- An interagency task force has developed a plan by which government will begin to use electronic benefits transfer (EBT) to cut costs and reduce fraud in delivering more than $100 billion in benefits a year.

Sometimes Customers are Easy to Please

The Intelligence Community — the federation of 13 executive branch agencies that provide intelligence information to national policy makers, the military, and others — asked its customers how it could please them more. They got lots of input, including some suggestions to spend a lot of money.

But one response came back over and over: Put the names and phone numbers of the analysts on every report so the customer can call directly to get questions answered. It improved service to customers and gave analysts a new source of pride. Plus — it didn't cost a cent.

- Agencies are working together in the trade arena, helping to better serve companies that want to crack foreign markets.

To be sure, recent customer service problems at the Postal Service and elsewhere bring to mind the hurdles that remain. Nevertheless, progress to date amounts to an incipient revolution in the very nature of how government relates to the American people.

SETTING CUSTOMER SERVICE STANDARDS

It was President Clinton who turned to the goal of customer service four days after the arrival of NPR's report. In his executive order of Sept. 11, 1993, he set the broad parameters for government's approach and elevated the issue to a matter of utmost importance.

"Putting people first means ensuring that the federal government provides the highest quality service possible to the American people," he wrote. "Public officials must embark upon a revolution within the federal government to change the way it does business."[1]

Specifically, the order set a standard for the quality of service: Customer service equal to the best in business. It also called on departments and agencies to identify and survey their customers; post service standards and measure results against them; benchmark their performance against the best in business; survey front-line workers on ideas for, and barriers to, reaching that standard; give customers choices on sources of services and means of delivery; make information, services, and complaint systems easily accessible; and provide ways to address customer complaints.

The President ordered that, by September 1994, each agency would publish an easily understandable customer service plan that includes its customer service standards, its future plans for customer surveys, and the public or private standards it used to benchmark against the best in business.

OMB has helped the agencies comply. On September 29, 1993, the OMB Director announced three initiatives to facilitate the development, review, and operation of customer surveys — a resource manual, "generic" clearances to support customer survey research, and a training program in customer survey methods.

In December 1993, under the new streamlined clearance process, OMB granted SSA and the Indian Health Service the first generic clearances for customer surveys; since then, OMB has approved close to two dozen generic clearances authorizing hundreds of customer satisfaction surveys. It cut time for these surveys from 12 weeks to two. More than 400 participants from across government have attended training programs in customer survey methods, including consultative sessions and short courses.

Reinvention Closes a Gap

Last year, the Bonneville Power Administration looked at the future and found a problem. The combination of new competitors in the wholesale power market along with BPA's growing costs revealed a half-billion-dollar gap between projected revenues and expenses. BPA is determined not to raise rates; if it does, utility companies may stop buying electricity from BPA, and its other main customers, aluminium smelters (with their 10,000 jobs), may go out of business.

BPA joined forces with its customers and is well on the way to success. Together they have developed and are implementing a business plan that gives customers new choices (like buying cheaper but less dependable power), encourages conservation by charging more for increased usage, and streamlines the BPA organization by nearly 800 jobs.

To date, over 100 federal agencies have published about 1,500 customer service standards; they are included in the customer service report NPR is publishing this month. Federal agencies also plan to publish their complete customer service plans elsewhere and hang posters in their public offices that advertise the standards they have set.

For example, the Social Security Administration promises to issue new Social Security numbers within a day and replace cards within five days. The Economics and Statistics Administration, which sells international trade information, promises to mail a customer's order within 24 hours or make it free. And the Postal Service has begun to guarantee lobby service within five minutes in many of its regions, with other regions planning to follow soon.

INFORMATION TECHNOLOGY: A HOST OF CUSTOMER BENEFITS

Government has no more powerful tool to serve customers than information technology. It is central to the Administration's goals of rebuilding the economy and improving the quality of life for Americans.

As James Flyzik, chair of the Government Information Technology Services (GITS) Working Group, wrote about the effort to reinvent government:

It is an opportunity to use the power of information technology to fight the war on crime, to deliver entitlement benefits to the needy in a secure and efficient manner while eliminating fraud and cheating, to improve health care delivery, to find missing children, to improve privacy protection for all citizens — in short, to completely reshape how government delivers its services to its customers.

As a result, the President and Vice President want to create a National Information Infrastructure (NII), a network of high-speed telecommunications networks, advanced computer systems, and software. To spearhead the effort, the President created the White House Information Infrastructure Task Force (IITF), which works with Congress and the private sector to help deploy an NII.

In December 1993, the Vice President established the GITS Working Group — as part of IITF — to coordinate efforts to improve the application of information technology by government agencies. More specifically, the working group is charged with implementing the NPR recommendations that involve information technology. The group meets at least monthly and includes representatives from nearly a dozen executive departments, White House offices, some independent agencies, the legislative branch, and NPR.

One of the working group's main responsibilities was to define a vision of information technology in an efficient, effective, customer-oriented electronic government and oversee its implementation. The vision it developed is: "To help create a government that uses information technology to interact with and serve its customers on their terms."

Drug Network

Booking a prisoner, taking his mug shot, and inking him or her up for a set of prints used to keep a DEA agent tied up for over an hour. Now, with the new automated system, the agent can finish the process in 15 minutes and get back out looking for bad guys.

Even better, DEA can instantly transmit the automated information to other law enforcement officers around the country so they can quickly check for outstanding warrants. The DEA has teamed up with the FBI, U.S. Marshals, INS, and Bureau of Prisons so they will soon be using the same system.

Bobby Gowens, Randall Food Stores, shows Vice President Gore how simple electronic benefit transfer will be in his store. Waiting their turn to check it out are Texas Comptroller of Public Accounts John Sharp, HHS Secretary Donna Shalala, and Agriculture Secretary Mike Espy.

For tomorrow's world, the working group envisions a host of new customer benefits. They include easier public access to government information, definitive and reliable information, customer surveys and government responses to them that reflect public demands, the use of information technology to help agencies solve problems that affect real people, and a unified system through which citizens receive government benefits. (For more on that unified system, see the box "Delivering Benefits: The Federal Government Goes Electronic.")

MAPS, ANYONE?

The U.S. Geological Survey in Denver sells maps: beautiful maps of the North American continent in razor-edged, shaded relief; educational maps of the original Native American Nations; satellite photos of your city, that are so clear that you can pick out your house. They are all dirt cheap. Would you like to buy one? Good luck.

That was how the Denver office wrote about its own operations. Officials described a process that not only did not serve USGS's customers, but actually seemed designed to frustrate them.

For one thing, USGS did nothing to publicize the wonders it holds. For another, the catalogue from which customers had to order was confusing, if not counter-productive. So, too, were the outdated computers and management systems. And if customers were dogged enough to pinpoint what they wanted, USGS was not likely to have it. All together, the rules and procedures amounted to an almost classic lesson of how *not* to serve your customers.

In Denver, though, USGS's workers knew that they had a building full of treasures — but hidden in such a breathtaking state of disarray that they were not sure that government could ever retrieve them.

Delivering Benefits: The Federal Government Goes Electronic

Food stamps, one of the nation's main tools for alleviating hunger, actually exacerbate some other national problems; as an underground currency, they are occasionally used to buy drugs and guns. Before long, however, government will have a powerful new weapon not only to help detect and prosecute trafficking, but to cut costs and deliver services better: a nationwide program of electronic benefits transfer (EBT).

Federal and state programs deliver nearly $500 billion in cash benefits and food assistance each year. At least 12 federal and state programs are involved, including such programs as social security, unemployment benefits, AFDC, and food stamps.

In May, the federal government outlined a plan to develop a nationwide EBT system in partnership with the states. The report envisions a national system that relies on direct deposit to deliver benefits to those with bank accounts, and on one user-friendly EBT card that can be used at grocery stores and automated teller machines (ATMs) to deliver benefits to those without bank accounts.

When fully operational, the EBT card will deliver more than $111 billion in benefits each year.[6] It will also cut the costs of delivering these benefits by an estimated $195 million a year, strengthen the management of program funds, and reduce fraud.

As Al Watkins put it, "We have 85 million maps on the shelf and from that, we distribute 10 to 12 million dollars in products annually. There are some 55,000 different map and book titles that make up the total storage in the warehouse, so it's an enormous job, and at one point in time, I was convinced that was a job the government just could never do well."

Nevertheless, when the time arrived to make a difference, Watkins put aside his frustration. So did his colleagues. "When the opportunity came to designate the distribution activity in Denver as a reinvention laboratory," he recalls, "we jumped at it."

The office created a seven-person reinvention team, representing all parts of the distribution activity, that sought ideas and help from its customers and the private sector's leaders in product distribution. Officials at Hershey and John Deere proved especially helpful. With a comprehensive plan that it expects to implement over the next year-and-a-half, the office expects to improve its customer service dramatically; the time needed to satisfy map and publications orders will fall from its previous two-to-four weeks to a day.

Under other team recommendations, the office will automate its stack and inventory management system, cut mail handling in half, and revamp the office's accounting. Customers will be able to order maps through a toll-free phone number. No longer will they find Denver's treasures out of reach.

POSTAL DELIVERY

Anyone who doubts whether the day of customer-driven government is here should consider the struggles of the U.S. Postal Service. It started a program to cut post office waits to five minutes or less and set standards of overnight local delivery and three-day delivery of cross-country mail. Three-quarters of the 40,000 post offices around the country are now offering customers service in five minutes or less. On-time delivery is 90 percent or better in Des Moines, Long Beach, Spokane, and other cities.

But in the Washington, D.C., area this summer, the Postal Service was delivering only 50 to 60 percent of the mail on time. Worse, postal inspectors acting on

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"The Full Menu of Services"

Micro Systems, a 17-year-old manufacturer of point-of-sale cash register systems, has demanding customers. The 24-hour-a-day hotels and restaurants around the world that it supplies often need its equipment in a hurry — and they don't have time for excuses.

For Micro Systems, as for so many other businesses, the federal government often provided limited help, at best. A crazy-quilt of trade-related agencies offered some assistance, but none provided the comprehensive assistance that businesses are looking for.

In Baltimore, however, Micro Systems' Peter Rogers has found an unexpected ally in government. The U.S. Export Assistance Center, a one-stop shop of export assistance, has brought together, for the first time in one place, the resources of the Commerce Department, Small Business Administration, and Export-Import Bank. (In this case, the state of Maryland also has contributed resources.)

"To be able to sit down . . . looking at the full menu of services, saves me, as head of marketing, and our sales people a tremendous amount of time," Rogers said. "With time being money, it helps us to get to our job faster, serving the customer."[8]

As part of the Administration's National Export Strategy, the Trade Promotion Coordinating Committee has begun to establish one-stop export centers that bring together the resources of its 19 member agencies. Along with the agencies noted above, they include the Departments of the Treasury, State, Defense, Interior, Agriculture, Labor, Transportation, and Energy; the Office of the United States Trade Representative; the Agency for International Development; and the Overseas Private Investment Corporation. Centers are now located in Baltimore, Miami, Chicago, and Long Beach, Calif., and the Administration plans to create more in the next two years.

Its timing is propitious. Never before has trade been so important to the American economy, which remains the world's largest but which must compete more vigorously in an increasingly global marketplace. Every $1 billion more in exports translates into nearly 20,000 new jobs for Americans, says Commerce Secretary Ronald Brown, who chairs the Trade Promotion Coordinating Committee. Jobs created by exports pay about 20 percent more than others.[9]

Postmaster General Runyon's orders discovered millions of pieces of undelivered mail at two Washington post offices. Some first-class mail addressed to the federal government had been sitting there since January.[10]

Similar problems surfaced in Illinois and Tennessee. The Postal Service clearly *wasn't* meeting its standards in these places. The leadership took action. It brought in proven managers. Hundreds of postal workers worked overtime, nights and weekends, to reduce the backlog. On top, they have a new Chief Operations Officer: Bill Henderson, who had met customer service standards in his position as Postmaster in North Carolina.

Is the problem fixed? No. Clearly there's more to do. Service is better, but not as good as the Postal Service wants it. So what's the lesson? Should we not bother setting standards?

In the old days, before standards and measurements, the Postal Service might not even have known where it had problems. And if it had, the brouhaha would likely have resulted in new rules and regulations for postal workers.

But today's Postal Service found the problems, worked overtime to remedy them, and put in place leaders who had proven that they know how to deliver the mail on time. That's the point of setting standards — agencies focus on what customers want and fix problems when they come up.

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CONCLUSION

Under the President's executive order, all agencies are beginning to focus on customer service as a higher priority. A few have moved far beyond the order in improving their service.

Plans are under way for a host of other improvements. The government intends to use information technology in a wide variety of ways and has devised a plan to use electronic benefits transfer (EBT) to cut costs and reduce fraud.

But the task of improving customer service is huge. The public, disappointed for so long about the service it has received, is more likely down the road to remember the slip-ups than the improvements. Only a sustained improvement is likely to change many minds.

CHAPTER TWO: EMPOWERING EMPLOYEES TO GET RESULTS

Don't you miss the fighting?
Vice President Gore

We don't even remember how to do it well.[1]
Nancy Fisher
President, Ogden (Utah) chapter
National Treasury Employees Union

At the IRS's office in Ogden, Utah, labor and management discovered that good relations between them was more than an end in itself. It also would help the two sides solve problems, such as the office's reputation for writing confusing letters to taxpayers. Working together, they have moved a long way toward licking the problem.

It was the same lesson that Colonel Thomas A. Dunn learned in 1992 as he prepared to take command of the Red River Army Depot in Texarkana, Texas. Red River, which has one of the Defense Department's largest maintenance missions, had a tradition of labor-management strife. But Dunn was determined to change things. On his trip to Texarkana, he had seen the benefits of labor-management cooperation by stopping off at the Saturn Corporation in Tennessee and at other innovative companies. Local union chiefs also had reasons to try something new: Before Dunn's arrival, the depot had launched a downsizing effort that, to date, has reduced the number of employees from 3,300 to 2,700.

Dunn went to work. He reached out to the six unions that represent depot employees. He convinced management and union officials to visit Saturn in October 1992 and learn its way of doing business. (He even hired a couple of Saturn executives as consultants.) Management and union officials then went to work on a model for organizational change that, by December, became known as HEARTS (an acronym for Honesty, Ethics, Accountability, Respect, Trust, and Support).

The HEARTS process, which 3,000 depot employees have gone through, involves training in personal breakthrough, partnership, team building, and communication. The process reinforces the shared labor-management vision of a competitive industrial complex and excellence in quality products and services. The training occurs in both a classroom setting and in outdoor exercises.

As a result, the depot reorganized late last year, creating self-managed work teams, of which it now has 40. Management and unions work daily to share not only decisionmaking but also ideas on how to further improve productivity. Meanwhile, management and labor have agreed to employee awards, similar to gainsharing, of either $500 or $1,000, based on a measure that they call the "net operating result."[2]

Employees are appealing much less frequently to the Merit Systems Protection Board, and they are filing fewer unfair labor practice charges and grievances.

Productivity is up, costs are down. On the productivity front, the depot produced the same number of vehicles in March 1994 — 110 — as it did in March 1992 when it had a much larger workforce. Cost-wise, both sides estimate that, because grievances in the Ammunition Directorate have dropped to zero, the depot has saved over $200,000.

In *From Red Tape to Results*, NPR defined the "basic ingredients of a healthy, productive work environment" as "managers who innovate and motivate, and workers who are free to improvise and make decisions."[5] And, as illustrated by Red River, a key step to finding those managers and workers is transforming the labor-management relationship from adversarial to cooperative. On this front and others, NPR has launched a burst of activity that has begun to change the essential nature of federal work.

THE TRANSFORMATION OF FEDERAL WORK

Years ago, Colonel Dunn would have drawn different lessons from a visit to one of America's best-run companies. He would have learned that hierarchical command-and-control structures work best, that an organization's leaders should make its decisions, and that lower-level workers should implement them, no questions asked.

No more. The same economic forces that have prompted businesses to focus more on their customers are also prompting companies and, yes, now governments to focus their work processes and structures around the concept of quality. What matters now are not inputs, but outputs. To get the best *results*, organizations are changing the way they organize work, relying more on flat structures, labor-management cooperation, and team approaches. As they shift authority to the front lines and empower employees, they give workers the tools they need and hold them accountable for their results.

Within these broad themes, NPR has unleashed a torrent of activity around the federal workforce. The reduction of 252,000 positions (since increased to 272,900) received the most attention upon its inclusion as a proposal in *From Red Tape to Results*. The controversy it engendered, however, overshadowed the important changes in work processes that NPR proposed. A year later, both the workforce reductions *and* the systems changes are well underway.

In this chapter, you will learn that:

- The National Partnership Council has launched a major effort to spread the idea of labor-management cooperation throughout the executive branch.
- Within agencies, as well, labor and management are entering into more cooperative arrangements than ever before.
- Through the Government Performance and Results Act of 1993 and the President's performance agreements with agency heads, the government is holding employees at all levels accountable for results as never before.
- The workforce changes are forcing senior executives to innovate on their own and work with lower-level employees more than ever.
- Inspectors general also are recognizing the trends and transforming their operations accordingly (while continuing to pursue their traditional job of finding waste, fraud, and abuse).
- Even the Office of Personnel Management, once regarded as a bastion of old thinking, has played a leading role by scrapping the Federal Personnel Manual and the SF-171 standard job application form.

Not all federal employees have embraced the new approaches. Some, in fact, regard

such changes as "fads," sure to die when interest wanes or a new Administration comes to town. The changes, however, are larger than any one Administration, broader than the interests of any one worker. Propelled by worldwide economic forces, they are here to stay.

THE NATIONAL PARTNERSHIP COUNCIL: LAUNCHING A NEW ERA OF COOPERATION

"The federal labor-management relations program is not working well," the General

Partnership: A Look Inside the Agencies

"An alien being has settled at many government agencies," *Federal Times* reported in July. "It's called labor-management partnerships."[4]

At a few agencies, the idea of labor and management working together was old hat. The Internal Revenue Service and the National Treasury Employees Union, for instance, have signed three important labor-management agreements since 1987. The most recent, which IRS Commissioner Margaret Richardson and NTEU President Robert Tobias signed in May, "virtually guarantees the union a say in the myriad organizational changes that will be part of the IRS's sweeping reorganization and tax systems modernization project."[5]

Clearly, however, the President's order for agencies to create labor-management partnerships has brought profound change to many other places. Almost every executive branch agency with a bargaining unit has an agencywide partnership council in place. In addition, partnership agreements and councils are springing up in bureaus, divisions, and field installations across government.

The Agriculture Department's partnership council, which includes representatives of two unions, has met twice a month by teleconference and quarterly in person. The Department of Housing and Urban Development brought two unions into its reorganization plans, and Secretary Henry Cisneros meets regularly with union officials. The Department of Veterans Affairs signed a partnership agreement with five unions, making it the largest such agreement in government.[6]

As demonstrated at Red River, better labor-management relations are important not only to the federal employees involved. They help all Americans because the absence of labor strife tends to cut federal costs. For instance, a recent agreement between the U.S. Mint and the American Federation of Government Employees helped to resolve longstanding issues at the San Francisco Mint. These included six pending equal employment opportunity complaints and another 29 informal complaints, some dating back two years. Taxpayers saved $210,000 in potential legal and administrative bills.

Naturally, the positive changes have been accompanied by a healthy share of skepticism. Some labor and management officials seem hostile to the very idea of cooperation. In some agencies with a heritage of labor-management strife, decades of distrust will not disappear overnight.

Nevertheless, the momentum toward change is tangible and exciting. As John Sturdivant, president of the American Federation of Government Employees, put it, "For the first time in over 50 years, there is a realistic possibility for meaningful and beneficial change in the federal delivery system. Partnership presents the genuine opportunity for the innovative, bottom-line results necessary to achieve the goal of a more responsive and effective government. Our union is ready to seize the moment now."[7]

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Accounting Office reported in 1991. Specifically, GAO said, bargaining was too legalistic and adversarial; dispute resolution processes were too slow and complex; and the Federal Labor Relations Authority was managing the program ineffectively.[8]

In moving toward labor-management cooperation, the federal government is mirroring the trend that has spread throughout the private sector. As global economic competition forces employers to cut costs, managers and workers are learning that adversarial relationships help no one. In fact, they could mean the demise of their employers, putting managers and workers out on the street. Managers and workers are learning that their relationships with one another do not constitute a zero-sum game: One need not lose if the other wins; both can win at the same time.

Government's leaders have taken notice. So it's not surprising that Red River's Colonel Dunn looked to the Saturn Corporation for inspiration. Nor is it surprising that the newly created National Partnership Council sought guidance from the private sector.

From Red Tape to Results called for a National Partnership Council to implement labor-management partnership throughout the executive branch. Its creation, through President Clinton's executive order of October 1, 1993, came 30 years after President Kennedy laid the foundation for such partnerships by allowing labor unions to organize in agencies. At the time, President Kennedy quoted Eric Sevareid in saying: "It doesn't make sense when two people are sitting in a boat for one of them to point a finger accusingly at the other and say, 'Your end of the boat is sinking.'" As labor and management increasingly realize, they are in the same boat, needing one another to survive and prosper.

At its first meeting last November 19, the council of federal officials and union leaders heard from officials at Corning, a company of about 30,000 people that has business in optical fiber, laboratory products, and general materials. Facing stiff competition from Asia, Europe, and South America, company officials decided they need to change their approach to employees. "We decided to go back into the organization and really listen," said David Luther, then Corning's senior vice president for quality. "We came out deciding we needed a new way to structure work."[9]

Specifically, Corning established union-management "communities" — teams that decide how to manage parts of the organization. They even can implement decisions without the prior review of top company officials. They set their own training schedules and hours of work, and they hire and fire their own members.

With the lessons of Corning and others in mind, the council last January submitted its *Report to the President on Implementing Recommendations of the National Performance Review*. In it, the council outlined "a range of consensus proposals" to form labor-management partnerships for success, create a flexible and responsive hiring system, reform the General Schedule classification system, and improve individual and organizational performance.

ACCOUNTABILITY: SHIFTING FROM INPUTS TO RESULTS

Whether cooperating or feuding, federal managers and workers traditionally have been judged on their inputs — their time and amount of activity rather than results — what they actually accomplished. As state, local, and foreign governments have begun to evaluate based on outcomes, the federal government is starting to do the same.

And though that shift could focus more attention on federal workers, many of them invite the challenge. In February, Vice President Gore and then-OMB Director Leon Panetta announced the designation of 53 projects in 21 agencies as pilot programs under the Government Performance and Results Act of 1993. Later, OMB designated 18 more projects in six agencies. For many agencies, their selection as pilots will require

that, for the first time, they clearly define and measure their missions and set performance standards against which the public can evaluate them. Nevertheless, the number participating in the pilot program is nearly three times what the law required.

The pilots vary widely in scope. At their most ambitious, they include the entire Internal Revenue Service, with its $7.4 billion in annual administrative costs and 116,000 people; the Social Security Administration, with $5.6 billion in administrative costs and 65,000 people; the Small Business Administration, with $430 million in operating expenses and 3,800 people; the Occupational Safety and Health Administration, with $300 million in spending and 2,300 people; and the National Highway Traffic Safety Administration, with $300 million in spending and 700 people.

Other pilots include:[10]

- the Agriculture Department's Farmers Home Administration, for a family housing program with $17.5 billion in its loan portfolio;
- the Energy Department's Office of Defense Programs, for a project to consolidate manufacturing activities for non-nuclear components of nuclear weapons;
- HUD's Office of the Chief Financial Officer, for a debt collection effort that encompasses nine programs with loans or accounts receivable exceeding $100 million; and
- 25 of the National Science Foundation's Science and Technology Centers, which conduct interdisciplinary research.

Along with the GPRA, another cornerstone of the new accountability is the performance agreements that President Clinton is signing with Cabinet secretaries and other agency heads. The agreements, seven of which are signed, spell out the agency heads' major goals for their organizations. They are specific commitments, accompanied by measurable performance indicators.[11]

For instance, Interior Secretary Bruce Babbitt offered the following list of items that he pledged to accomplish:

- establish the National Biological Systems Survey;
- reform Interior's land management;
- reinvent the Bureau of Reclamation;
- strengthen the National Park System's commitment to employees and the American public;
- act as a partner with Indian tribes;
- make the Endangered Species Act work; and
- champion collaboration and performance within the department.

While the agreements are signed only by the President and agency heads, the commitments in them are influencing actions and thinking across and beyond the government. For one thing, the Administration treats them as public documents and posts them on the Internet computer network. For another, the agreements are cascading through the organizations, connecting political and career employees for the first time in an unbroken chain of accountability dedicated to accomplishing results.

Indeed, HUD Secretary Henry Cisneros involved all of his employees in the process of setting the goals and priorities of his agreement. He gave his managers a vest pocket-sized card that lists the goals, and he gave all department employees a copy of the agreement and HUD reorganization plans. Labor Secretary Robert Reich, too, sent his set of goals to every department employee. He also discussed his goals for the year with his SES managers.

Not surprisingly, this sharing of goals is central to their accomplishment. As Tom Glynn, Labor's deputy secretary, put it, "Unless people know what they're supposed to do, they hardly ever do it."[13]

The performance agreements reflect the

The New Role of Senior Executives

Federal managers of yesterday and of tomorrow are not entirely different beings. What links them is the concept of "accountability"; they are accountable for implementing the law to Congress, the President, and the public. Nevertheless, tomorrow's federal managers must innovate in ways that yesterday's could not have fathomed.

In a March 29 speech, Vice President Gore outlined what he calls "the new job of the federal executive." It revolves around seven differences in the way that federal executives used to operate and how they now must act to be effective:[12]

1. In the old way, federal executives were expected to know best, and they often created special offices at the top of their organizational charts — e.g., the Office of Strategic Planning — to manage change and creative innovation in an isolated manner.
   In the new way, federal executives need to involve all employees in developing a clear vision and a shared sense of mission.

2. In the old way, federal executives were expected to keep staff working within organizational boundaries.
   In the new way, federal executives will need to help staff cross boundaries to work effectively with other organizations.

3. In the old way, federal executives were expected to use rules to circumscribe discretion, because employees were not to be trusted.
   In the new way, federal executives must empower their employees to achieve the goals of the organization, within statutory constraints and the organization's agreed-upon vision.

4. In the old way, federal executives were expected to protect and enlarge their operations and to satisfy higher levels of management.
   In the new way, federal executives will need to satisfy their customers.

5. In the old way, federal executives were expected to communicate one level up and one level down.
   In the new way, federal executives will need to communicate through every layer of their agencies.

6. In the old way, federal executives were expected to tell their subordinates what the executives needed.
   In the new way, federal executives will need to ask subordinates what they need to do their jobs.

7. In the old way, federal executives were expected to use hierarchical arrangements, with checks and controls over every input, elaborate reporting mechanisms, and extensive rules and regulations.
   In the new way, federal executives will be expected to concentrate on performance and carefully measured results — output, not input.

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best in public and private thinking. In developing the NPR's recommendation for agreements, the Administration talked to corporate leaders and studied the agreements that companies are using to instill clarity about results and accountability. Administration officials also studied agreements that Australia, Canada, New Zealand, and the United Kingdom have introduced in the last decade as part of their government reform efforts. And they looked at agreements and other approaches to manage for results in Oregon State, Sunnyvale, California, and other state and local governments.

Just as no one model fits every federal agency, the Administration expects the agreements, as they come out, to improve over time. As departments and agencies develop performance measures under the GPRA, they will produce performance agreements that are more outcome-oriented. And as they identify and survey their customers, they will produce agreements that are more customer-focused.

Performance agreements reflect one aspect of the new roles that senior executives — that is, those with supervisory roles — will have to play as labor-management relations evolve in the federal government. (For a fuller discussion of those roles, see the box "The New Role of Senior Executives.")

WORKFORCE REDUCTION

In order to reinvent government and increase performance, NPR has sought to reduce the command-and-control structures that stifle innovation and evoke fear in workers. Perhaps NPR's most controversial recommendation was to reduce the federal workforce by 252,000 positions by 1999. (The President and Congress later increased that figure to 272,900.) No NPR recommendation has caused more confusion, if not hostility.[14]

By reducing control structures, and the number of individuals at the controls, NPR seeks greater flexibility for workers. Unfortunately, some federal workers have interpreted this recommendation as an assault on *all* government employees. In fact, front-line workers are not the prime candidates for this 13 percent reduction. Rather, it's the 660,000 in positions of over-control and micromanagement.

Workforce reductions were inevitable — with or without NPR and last year's report; the budget deficit continues to squeeze all federal spending. The question, then, was not *whether* to reduce the federal workforce, but *how*.

Supporting the reduction — and acknowledging the difficulty of achieving it humanely — Congress overwhelmingly approved the Administration's request for legislation to allow agencies to offer buyouts of up to $25,000 per employee. Generally offered through next March 31, 60,000 to 100,000 employees are expected to sign up.[15]

HQ Down, Front Lines Up

In an effort to improve law enforcement activities, FBI Director Louis Freeh is dramatically streamlining the agency's supervisory and administrative bureaucracy and shifting agents to the front lines.

In January 1994, Freeh announced that he is permanently reassigning 600 special FBI agents. The transfers will occur in two phases:

- First, 300 agents will move from headquarters to field divisions that most urgently need more investigators; this shift will cut the number of agents in headquarters by 37 percent.
- Second, 56 field divisions will shift 300 of their own agents from supervisory and administrative jobs to street-level investigations.

The President signed the buyout legislation March 30, terming it an important milestone toward bringing meaningful change in the way this government does business and renewing the faith of citizens around this country.[16] Independent observers agreed; as the *Washington Post* put it, "For the first time, an Administration will have an alternative to hiring freezes and layoffs."[17]

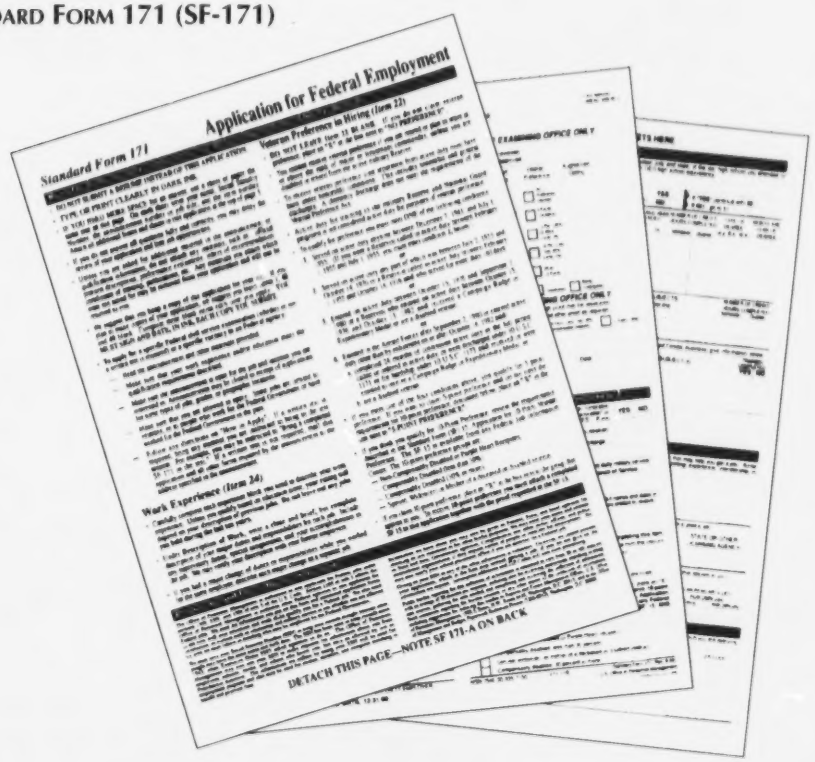
CHANGE AT THE TOP

In a new vision statement published in January 1994, the Inspectors General wrote, "We are agents of positive change striving for continuous improvement in our agencies' management and program operations, and in our own offices."[18] The IGs' reinvention principles talk about working with agency heads and Congress as well as building relationships with program managers.

The IGs' action points up another surprising phenomenon about federal reinvention. Generally, management gurus preach that to change an organization's culture, don't entrust the job to keepers of the old culture. At the federal level, that would include the symbols of the old guard: the Office of Personnel Management, General Services Administration, and Office of Management and Budget. (For a discussion of GSA and OMB, see the next chapter.)

The gurus may have to rethink their ideas — about federal managers, anyway. "You proved them wrong," the Vice President told OPM's employees in July. "Because the men and women of OPM changed everything, and you changed it fast."[19]

STANDARD FORM 171 (SF-171)


Standard Form 171
Application for Federal Employment
Veterans Preference in Hiring (Item 22)
Work Experience (Item 24)
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Three accomplishments stand out:[20]

1. Scrapping the Federal Personnel Manual, a 10,000-page behemoth of rules — nearly 10 times bigger than the Bible (Old and New Testaments included) and five times the size of an unabridged dictionary.

"The dinosaur is officially fossilized and is going away," OPM Director James King announced in January as he took the helm of a wheelbarrow into which OPM employees had thrown parts of the manual.[21] It was a dramatic ceremony. In the lobby of OPM's main building, King held the wheelbarrow. In front of him was a three-member fife and drum corps. Alongside were OPM employees, personnel officials from other agencies, and union officials who carried pieces of the manual. They marched outside and threw it into a waiting recycling truck.

The ceremony seemed fitting for an event of this long-term significance, which OPM accomplished a year ahead of NPR's schedule. Here, after all, was the document that, for the last half-century, instructed government managers and personnel specialists on the tiniest details of their jobs. No longer will these federal supervisors be subjected to a manual that dedicated a whole chapter to telling them how to label their file folders.

Immediately, the manual's demise will save federal agencies money. Its 610 subscribers, most of whom were agencies, paid $1,333 a year, plus up to $300 for each of 14 supplements. In one fell swoop, OPM scrapped 86 percent of the manual's pages. The other 14 percent will remain in existence for the rest of 1994, after which some will be repackaged as governmentwide regulations or handbooks.

Such large-scale change is part of OPM's effort to turn over such personnel strategies as recruiting, testing, and hiring workers to the agencies and assume a kind of consulting role for them. To further that transformation, the Administration plans to send Congress legislation to reform the civil service.

2. Eliminating, next January 1, the infamous Standard Form 171, the imposing government job application form that prospective clients had to fill out, and that discouraged many good people from even applying for federal work.

It's not hard to figure out why King, a widely experienced federal, state, and local official before coming to OPM in April 1993, wanted to kill the 171; he needed three days to fill one out. When the 6-foot, 4-inch King unveiled his 171 at a public event in April, it "stretched from above his head to his feet, with a few pages to spare."[22]

OPM Director Jim King unfolds his Standard Form 171.

Not every federal worker faced such a lengthy application process. But the 171, in use since 1938, remained an archaic instrument of employment; job applicants took an average of eight hours to fill them out, while agencies needed 90 minutes to read and process each one. The 171 sought general information about the applicant and specific information about availability; military service; work experience; special skills, accomplishments, and rewards; references; and history of criminal and related problems. The form was so complicated that it spawned an industry of career counselors and other employment specialists to help applicants through it.

Not surprisingly, it also discouraged many highly qualified individuals from seeking federal employment. As Vice President Gore put it recently, "For many, it was their first dose of red tape. It was almost like saying to somebody who wanted to come to work for the federal government, 'Welcome to the fun house.'"[23]

In its place, agencies will seek basic information from applicants, who will be able to use their resumes and should need no more than an hour to complete the process. Agencies' computer scanners will read 1,500 applications per hour. Also, OPM has created an automated phone system that enables anyone with a touchtone phone or a PC and modem to learn — at any time, day or night — about almost any federal job available and how to apply. Job-hunters can even apply for some jobs by phone.

3. Implementing the buyout legislation with unusual speed — skipping the steps of publishing proposed and final regulations, giving agencies the flexibility to apply the law to their specific situations, and serving as a clearinghouse about the best approaches.

Even before Congress passed the buyout bill, an OPM team was using an electronic bulletin board to distribute information to agencies and answer their questions. The same team now works as a clearinghouse. Due to OPM's quick action, 14,670 people in non-defense agencies were able to take the buyout this year, giving agencies the room to begin their restructuring, to cut costs, to eliminate management layers, and to avert layoffs.

More broadly, OPM is using the bulletin board and coordinating multi-agency satellite broadcasts to provide forums to discuss best practices with personnel specialists from all over government. The broadcasts, hosted by such agencies as the Defense, Agriculture, and Transportation Departments, help the specialists share information about labor-management partnerships, the automation of personnel systems, and the new role of federal managers.

EMPLOYMENT RESTRICTIONS IN LEGISLATION

In a way, reinventing government is like building a house. You have to fortify all support systems; a weak one can topple the whole structure.

Take, for example, the habit of placing employment floors in legislation. Last spring, Congress voted overwhelmingly to cut the federal workforce by 272,900. But by August of this year, seven pending pieces of legislation contained provisions that would exempt over 250,000 employees from the personnel cuts Congress had passed earlier in the year.

Every member of Congress can think of a good reason why his or her favorite agency should be exempt from the total. But, as then-OMB Director Leon Panetta said, "We can't allow that kind of game to begin, or it's going to make this effort impossible."[24]

The NPR has consistently argued against having employment floors in legislation for two reasons. First, no agency should be exempt from pressure to increase efficiency as much as possible, no matter how important its mission. Second, the cumulative effect of employment floors makes the job of workforce reduction that much harder. Every time an agency or a portion of an agency is exempted from the overall mandate to cut the federal workforce, it increases the size of the cuts that must be borne by those agencies not exempted.

Looking More Like America

Mark White joined the Agency for International Development this summer. He brought to the agency a master's degree in public health, a background as a Peace Corps volunteer, and experience in health programs in Africa and the United States — all valuable experience for an agency that assists countries from Rwanda to Russia.

Mark White was one of a new class of interns that was one of the first signs of change in an agency that is reinventing itself. As part of its efforts to reengineer its personnel, procurement, budget, and management systems, AID adopted a work force diversity plan that's already showing results: Last year fewer than half of the 25 interns were minorities or women; this year it was 85 percent.

CONCLUSION

In essence, the government has begun a three-pronged effort to create a new workforce. It is holding employees at all levels more accountable than ever, empowering those on the front lines to do their jobs better, and fashioning a new spirit of labor-management cooperation to replace a longstanding tradition of strife.

In tomorrow's federal workforce as in the private sector, all will be challenged to do their jobs differently. The demise of hierarchical, command-and-control structures (and their replacement by leaner, flatter organizations) is dramatically changing relations among workers at the same levels and between levels. The new era demands more from everyone, but it also provides exciting opportunities for personal excellence and fulfillment.

No longer, however, can government continue to maintain a workforce of the same size. The public demands leaner government, good management principles demand it, and, anyway, the budget deficit has made workforce reductions inevitable. A smooth transition to a smaller workforce requires the cooperation not just of all employees, but of all agencies and of Congress.

CHAPTER THREE:
CUTTING RED TAPE

Christmas brought more than holiday cheer to America's defense forces. Year after year, they could count on a lighthearted, though embarrassing, story in the newspapers as well. The source: the Pentagon's specifications for approving fruitcake.[1]

At Vice President Gore's town hall meeting at the Pentagon's courtyard in August 1993, a Defense Department employee rose to complain about the department's cumbersome specification for chocolate chip cookies. Sitting in the audience was Jeff Jones, an assistant deputy undersecretary of defense, who decided to confront the issue of food specifications. Shortly after that meeting, he was asked to approve another specification — this one for cake mix.

The proposed "spec" read:

4.6.3 Breaks and cracks. Bake as in 4.6.1
a. Cool the cake in the pan for 2 hours at room temperature 69°F ± 5°F and a relative humidity of 50 ± 5 percent.
b. Space two 4 inch diameter cylinders (for example, two flat-topped metal cans) 6-1/2 inches apart at the closest point.
c. Place the cake (with pan and liner removed) with the flat side down equally on the two cylinders.
d. Examine after 2 minutes for breaks and cracks.[2]

As the Vice President said later, "I think I *might* rather eat a cake that *failed* that particular test."

Jones had his own idea about approving cake mix. Though novel at the Pentagon, his method is used widely in homes across America — TASTE the cake! If you like it, great. If you don't, get another cake mix. With the help of Deputy Under Secretary James Klugh and Logistics Staff Analyst Sherrie McNeil, the Pentagon scrapped all military specifications for mess hall food and is buying real food.

Nothing more easily evokes laughter than stories about government red tape. And no department has been more closely associated with excessive, if not comical, regulations than Defense. But something is happening at the famed five-sided building in northern Virginia. Now, with Defense Secretary Perry's enthusiasm, Defense employees are seeking to cut red tape, transforming long processes into a few steps.

The Air Force, for instance, used to have nearly 1,600 separate regulations that covered 55,000 pages. Led by General Tony McPeak, however, a team of employees converted those regulations into 160 policy statements, each of them about three pages long and available on CD-ROM. Accompanying them is an instruction handbook.

DOD employees fill out travel vouchers 11.7 million times a year — 45,000 times a day! Until recently, the payment approval

49

New Rules of the Road

After a natural disaster strikes, the initial shock of human misery normally gives way to the less dramatic drudgery of picking up the pieces. All too often, repairs fall behind schedule, causing the public to grow restive, politicians to complain about the agencies involved, and tempers all around to flare.

But in Los Angeles, the Northridge earthquake of 1993 prompted federal, state, and local agencies to discard old rules and create an environment through which they could renovate one of the world's most important transportation corridors in just three months. With their eyes focused on the Santa Monica Freeway, these agencies sent their people to the area with the authority to approve funding and contracts without checking with Washington or Sacramento.

Immediately, the city's Transportation Department completely revised traffic patterns on local roads, averting gridlock. Within days, a team of workers from AMTRAK, the Army Corps of Engineers, the Navy Seabees, and Metrolink beefed up the rail system with new locomotives and train stations. The Federal Highway Administration and the Federal Railroad Administration waived certain federal regulations to speed the repair process. In addition, the highway agency also quickly began to approve construction contracts. All told, $15 million in assistance arrived at the scene within two days. Within 10 days, $100 million was available.

It was an impressive, top-to-bottom accomplishment. Federal, state, and local agencies cut red tape, empowered employees, put their customers first, and curtailed the $1 million in local economic costs that accumulated every day that the Santa Monica Freeway was closed.

process forced employees to go from office to office in a 17-step nightmare that could last three weeks. As Air Force Captain Rod Berk put it, "It seems sometimes they do more traveling getting their orders done than they do when they actually get on the plane."[5]

Then a Pentagon automation team that Berk led used the latest in automation to cut the 17 steps down to four and the three weeks down to a day. It also shifted the responsibility for keeping any back-up paperwork to the employees. When the Defense Department uses this system for all of its travel, it will save $1 billion over five years.

Such efforts build upon one another. Consider the words of Wilett Bunton, an Army employee whose complaints about the travel process helped to spur the changes: "We're not the same people we were six months ago."[6]

From procurement in general to the Pentagon travel office in particular, federal workers are cutting red tape across a wide variety of processes, making it easier for federal workers to do their jobs and for the American people to get the service they deserve. If federal workers aren't the same as they were six months ago, neither are the rules and regulations that tied them in knots.

EARNING THE MONIKER

All organizations have rules of some sort. They standardize procedures, give workers a common frame of reference, and serve to prevent abuse and corruption. Over time, however, organizations accumulate rule after rule as they try to prevent this abuse or that. The rules not only clash with one another, they interfere with the goals of putting customers first and empowering employees to get results. At that point, they earn an ugly moniker — red tape.

50

At the federal level, red tape hangs like a noose around processes and relationships. It has tied the procurement process in knots, preventing federal workers from buying what they need at the corner store. It has poisoned the relationships among executive agencies that, at least in theory, are working for the same President. It also has produced a thicket of regulations through which the federal government relates to state and local governments. In these cases and others, the results have proved disastrous. The rules and regulations have become ends in themselves, diverting attention from the goals that government has set out.

So thick is the red tape, so pervasive is its presence, that the Administration has only begun to cut it back. In the following pages, you will learn that:

- President Clinton and 10 agencies have begun to revolutionize the procurement process, already saving at least $50 million and holding out prospects for literally billions more.
- The General Services Administration is now providing other federal agencies with the support they need, whether they are seeking office space or looking to rid themselves of furniture.
- The Office of Management and Budget is building cooperative relationships with Cabinet departments while it increases its own focus on management across the executive branch.
- The Occupational Safety and Health Administration has streamlined its operations, freeing its inspectors to better protect American workers.
- The Small Business Administration has dramatically streamlined the process through which its customers apply for small SBA-backed loans, thus enticing more customers and banks to participate.
- The President and Congress are providing state and local governments with new flexibility in how they use federal funds and comply with federal regulations.

Notwithstanding these successes, government's natural tendency is to create more and more red tape as it confronts demanding new challenges. Eliminating it is not a job for the short-winded.

PROCUREMENT REFORM

Pity football's offensive linemen. Though the backbone of a good offense, they toil in near obscurity, performing the grunt work of pass-blocking while quarterbacks, running backs, and receivers bathe in glory.

The grunt work of football is not unlike

Safe Haven

Most Americans associate the State Department only with pinstriped suits and stuffy diplomacy. But State also plays a major customer service role in one of the more highly charged emotional issues — children.

Traditionally, different offices in State's Bureau of Consular Affairs have shared responsibility for the thousands of cases each year of child adoption or abduction across national borders. Consequently, communication and coordination among the offices, American citizens, and their attorneys have grown increasingly difficult.

This year, however, State set up an Office of Children's Issues, gave it major responsibility for child custody matters and made it the central contact point for adoptive parents who are having problems with the local authorities of other countries. The office is expected to greatly improve customer service.

51

the grunt work of government. A good example is procurement reform, according to Senator John Glenn, chairman of the Senate Governmental Affairs Committee, who is among those who have championed the issue. You don't get much credit, but the work is vitally important."

Vital, indeed. Like most of its red tape, the government adopted page after page of procurement rules with the best of intentions. Hoping to prevent profiteering and fraud, it adopted rigid safeguards that give federal managers little flexibility to buy what they need. Hoping to prevent favoritism, it adopted competitive bidding.

But the system is a relic of an earlier economic age, one unsuited to contemporary realities. Today, federal managers could buy what they need, at low prices, from mail-order discounters. And, even while retaining competitive bidding, the government surely should begin to factor in the past performance of contractors as it awards future contracts.

As the Vice President said,

Too often suppliers who give us good products and services at good prices never hear from the federal government again. We're going to change that and give good suppliers business again and again. And those who don't produce are the ones we'll stop calling.[6]

Early in the Administration's efforts to implement NPR, President Clinton revolutionized the federal procurement process with the simple stroke of his pen: Last October, he signed a memorandum through which the executive branch, by January 1997, will implement to the greatest possible extent a governmentwide electronic commerce acquisition system. All aspects of procurement — ordering, invoices, payments, and so on — will change from a paper-based to an electronic system for small purchases. The directive not only will cut costs but present a host of possibilities for small business to solicit work from the government. It also will cut the procurement process from three weeks to five days.

Also on the procurement front, many agencies are working on governmentwide efforts, and some are taking steps on their own. Across the government:

- 20 agencies are participating in a voluntary pilot program to consider a supplier's past performance when awarding future contracts.
- 24 agencies have pledged to increase their use of alternative dispute resolution (ADR) in contract disputes, and some even have specified multi-billion-dollar contracts to which they will apply ADR.

Impairing the Military

Signing his procurement directive, President Clinton noted that five of the top 10 U.S. semiconductor producers refuse defense business because of special requirements that the government imposes.

Were this an issue only for the contractors, Americans might have little reason to care. The problem is, such rules actually can jeopardize military operations and put America's fighting forces at risk. Consider the dilemma that the military faced during Operation Desert Storm, the U.S.-led confrontation with Iraq.

The Air Force found that it needed to improve communication among its units, and that Motorola's commercial radio receivers were uniquely suited to fit its needs. It ordered 6,000 receivers. Motorola, however, said it could not meet the demands of the procurement rules. Specifically, its commercial unit lacked the record-keeping systems required to show the Pentagon that it was getting the lowest available price.

To circumvent the problem, the Japanese bought the radios and donated them to the Air Force.[7]

Quicker and Cheaper

Even for an expert like Bill Saucier, the top buyer for the Southeast Region of the Animal and Plant Health Inspection Service, buying computers is a frustrating business. The acceptable procedure is: Complete a requisition form AD-700 as well as an APHIS Technical Approval form (APHIS 51) and forward at least three copies to the Technical Staff in Hyattsville, Maryland.

They spend the next 30 days deciding whether Saucier has ordered the appropriate piece of equipment and provided proper justification. Then the order goes to the Information Systems Communications Division for evaluation and approval; that takes another 30 days. After approval, it is sent to the contracting section for final processing. In another 30 days, the equipment is finally shipped to Saucier.

During a recent busy period at the Tampa office, the inspection team's computers were stolen. A shipment of fresh flowers was wilting while waiting for inspection. Saucier, in his desire to serve the customer first, decided to go out on a limb to get the equipment. He called local stores and got the best price and immediate delivery. Not only were the inspectors quickly back in business, but each computer was $2,200 cheaper than it would have been through the red tape process.

Civil servants like Saucier can make government work better and cost less.

In another cross-agency venture, the General Services Administration wants to make purchase cards widely available. Early this year, GSA signed a contract with Visa under which the government will pay no fees and get rebates on some of the purchases it makes. Using the card, the government saves an average of $50 on every small purchase.

Last year, 10 agencies pledged to double their use of purchase cards by October 1, 1994. They already have done so. Because those 10 agencies make about a million transactions a year with the card, they are saving the government about $50 million. The Administration plans to switch at least five million purchases to purchase cards, thus increasing the savings to $250 million a year.

Some agencies are taking steps on their own to streamline procurement. Perhaps the most important is the Defense Department, which "spends more than 75 percent of the federal government's $200 billion annual procurement budget"[8] but is saddled with rules that keep it from acquiring state-of-the-art technologies.

Defense Secretary Perry signed an order in late June to reduce the Pentagon's reliance on military specifications. In a move that he said would save billions of dollars, Perry directed the department to allow contractors to make greater use of commercial items in the equipment they sell the government. He predicted that, freed from the burdensome "mil specs," more contractors will seek defense work.

Perry views procurement reform as vital to the Pentagon's efforts to meet its spending plans over the next five years. Although the Pentagon faces the prospect of declining budgets, it also plans a major increase in weapons procurement, beginning in fiscal 1997.[9]

Other agencies taking steps on their own include:

- The Energy Department, which is using performance-based service contracting; it tells contractors what it wants to accomplish up front, rather than signing a vague contract and just paying the bills as they come in.
- NASA, which is studying its suppliers' performance and focusing more on controlling costs.

53

In addition, Congress has made great progress toward more fundamentally transforming the procurement process. In June, the House and Senate both passed legislation to simplify procedures for contracts of less than $100,000 and for contracts involving commercial products.

The final bill, which has emerged from a House-Senate conference committee, would remove the remaining barriers to deregulating purchases of below $2,500. Agencies will be able to buy what they need from such stores as Staples or Home Depot. Small purchases account for 70 to 80 percent of government purchases (though just 2 percent of their value). In addition, the final bill will ultimately extend the streamlined process of buying items of up to $25,000 to items of up to $100,000. It also will enable government to buy commercial items more easily.

PUTTING "SERVICES" BACK INTO GSA

It wasn't long ago that, in government offices across the country, federal employees referred to the General Services Administration merely as "GA"; as one employee put it, "It never had any services."[10]

That, however, was before Administrator Roger Johnson, whose organization controls or influences $45 billion in agency purchases, gave GSA's reinvention labs unusual freedom to overhaul their operations. In the Rocky Mountain Region in Denver, the new organization chart has customers and front-line service centers on top, the regional administrator on the bottom, and Washington not listed.

Of the 400 proposals from the region's workers on how to simplify and cut the costs of internal operations, most are already in place and very few were turned down. Management and union officials have formed a Quality Council to devise ways to prepare for the future. Council members have fanned out across the region to interview the GSA's customers about what they want. They also sought ideas from Canada's GSA, which enforces a procurement law of only eight pages, including both English and French translations.

As Wolfgang Zoellner, who heads the reinvention lab, told his colleagues, Johnson has stopped sending people from Washington to check up on the Denver staff. Instead, he merely tells Denver and the other regions what he expects them to achieve and lets them figure out how. Zoellner, in turn, told his own staff to treat the field offices under their jurisdiction the same way.

Among the changes in Denver, the lab replaced the standard custodial contract that even specified the color of sponges. The new one, 100 pages thinner, simply requires that the contractor keep the building clean. The staff also scrapped the 600-page General Services Administration's Acquisition Regulation, cut six months off the lead time for building design, cut the time it takes an agency to get rid of old furniture and equipment from 60 days to 21, and moved back into the short-term car rental business, competing successfully with commercial firms.

In Denver, the red tape is greatly reduced, the customers are thrilled, and GSA's staff is much happier. "It's much more enjoyable," Mark Koehler, lead maintenance mechanic, told Vice President Gore in June. "It's actually fun now. A year ago I couldn't say that. I may have left the government before now had this not come about."[11]

OMB: MORE COLLABORATION

In its role as the President's budget staff, the Office of Management and Budget easily attracts complaints from departments and agencies across government. After all, it is OMB that must focus on the bottom line — how much the government can spend, legally, from year to year. It's OMB that, in crafting the President's budget, must recommend how he should choose among the many spending ideas that agencies provide.

In 1993, under then-Director Leon Panetta and then-Deputy Directors Alice

Sidestepping the Government's Monopolies

All across government, interagency arrangements that offer financial, administrative, and other services have sprung up. No longer must an agency depend on its own office — a kind of internal monopoly; instead, it can shop around at interagency franchises, thus reducing costs for the agencies involved.

Now, a governmentwide work group that has identified about 100 existing franchises wants to spread the idea far and wide. It is crafting a booklet with contact points and telephone numbers, and plans to hold a conference through which other agencies can learn about franchises.

The recent progress on franchising and other financial management issues is due in no small measure to the Chief Financial Officers Council, created under the Chief Financial Officers Act of 1990. Upon the release of *From Red Tape to Results*, the council adopted a far more aggressive approach to financial management. Its members are monitoring progress on the 54 action items in NPR's financial management accompanying report as well as other related NPR recommendations.

On the legislative front, meanwhile, Congress is nearing passage of important financial management legislation. By requiring 23 major agencies to submit financial statements for the entirety of their operations, not just parts of them, it would increase those agencies' accountability.

Rivlin and Phil Lader, OMB reached out to agencies and other White House staff as it began to create a far more collaborative, less adversarial effort at crafting the President's budget.

In years past, agencies used to craft their budget requests through the spring and summer and send them to OMB in September. Even then, the process was more adversarial than anything else, with OMB questioning the requests and forcing agencies to launch appeals to its decisions that could lead all the way to the President.

In spring 1993, however, OMB and agency staff began to work together on the agencies' requests; they held joint "management and budget" reviews of agency operations. Thus, OMB could outline the fiscal restrictions that all agencies had to face.

This year, OMB has taken the collaboration a step or two further. As part of its OMB 2000 process, the agency's "most comprehensive self-examination . . . in recent memory,"[12] OMB is beginning to take a number of steps that will enable it to work more effectively with agencies in ensuring that priorities are set and programs are working as intended, including placing more emphasis on agency experience in filling OMB jobs, on agency relations, and on OMB exchange programs and electronic communications.

OMB-agency relations also are improving in the area of federal regulation. OMB's Office of Information and Regulatory Affairs (OIRA) is working more collaboratively with agencies both to reduce rules subject to review and to streamline reviews deemed necessary. OIRA also is more open with the public; it discusses its internal processes, logs the private parties with whom it has met to discuss regulations, and publishes a list of rules under review as well as information on concluded reviews.

More fundamentally, OMB is elevating the issue of government management. Under its OMB 2000 plan, the agency will integrate its budget and management sides with the goal of making performance and management issues key elements in budgetary decisions. Under Panetta and now Acting Director Rivlin, that goal more than ever is likely to become reality. "My hope is for a more informed discussion at all levels concerning what we know about the effectiveness of programs," Rivlin, a longtime proponent of the importance of performance, told agency budget officers on

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55

August 11, 1994. "What performance information can we bring to bear in decisions that we make and that the President has to make?"

A similar integration failed in the early 1970s. Then-Deputy Director Fred Malek did some restructuring but did little to institutionalize the changes he sought; they evaporated after he left. This time, however, the effort is credited by Donald Kettl of the Brookings Institution as a "transformation within people," not a reshuffling of boxes.

Operationally, OMB has created five Resource Management Offices (RMOs) responsible and accountable for budget formulation, analysis, and execution; program effectiveness and efficiency; short- and long-range policy and program analysis; implementation of governmentwide management policies; and program evaluation. The RMOs cover similar, though not the same, areas as OMB's former divisions: (1) national security and international affairs, (2) natural resources, energy, and science, (3) health and personnel, (4) human resources, and (5) general government.

Calling the OMB 2000 reorganization "quite simply, the most fundamental change in the agency since its creation," Kettl said it "promised several important innovations." He cited:

- a linkage between budgetary and management issues, which previously had been fragmentary at best;
- a commitment for OMB to adopt a broader and longer perspective on budget and management issues;
- the potential for integrating performance questions into the annual budgetary process; and
- an endeavor to change the language of communication between OMB and the agencies from narrow budgetary issues to larger performance issues.[13]

OMB's internal changes will help focus agency attention on such NPR principles as results-oriented performance. OMB will be a powerful force to help institutionalize NPR's underlying management themes.

OSHA: "ONE FOOT IN FRONT OF THE OTHER"

Front-line workers at the Occupational Safety and Health Administration had plenty of ideas about how to better protect American workers. The problem was that not many managers wanted to hear them.

Dave Katsock, a safety compliance officer in Parsippany, New Jersey, had an idea almost eight years ago.[14] He knew that, once fined by OSHA, business owners had no incentive to fix their problems quickly; they could delay for a year or more without penalty as their cases moved through the system. Why not offer owners 10 percent discounts on their fines, Katsock suggested, provided that they fixed their problems quickly? His area director's response: Get back to work — and follow the 400 pages of regulations. So he did, keeping the idea to himself for seven years.

Then, with the spirit of reinvention sweeping across government, he tried it out a year ago on a new boss. Intrigued, the boss pulled together the workers in the Parsippany office, discussed the idea, and decided to give it a try. As a result, the number of safety violations that business owners fix quickly has risen four-fold, thus reducing risks for thousands of workers.

Katsock wasn't the only inspector with a good idea. Last October, a month after the release of *From Red Tape to Results*, OSHA held a reinvention conference in which about 50 individuals participated. At the end, the 50 developed 22 initiatives that they asked OSHA's top officials to approve or reject — on the spot.

They approved 19, including a plan to revise the 400-page operations manual. Showing the tome to President Clinton at the White House in March, inspector Joan

Hassle-free Loans

Fifteen years ago, when Mama Jo's and Zeno's Pizza in Wichita Falls, Texas, was getting started, it took the owners *four weeks* to work with a bank loan officer to fill out the application, gather all the documents for SBA, and wait for the government to respond. This year, when they wanted money to expand, the whole process, start to finish, took *three days*.

The difference? SBA's new LowDoc — that is, low documentation — loan program, which the agency developed in consultation with both small business owners and commercial lenders.[15] The program, which enables the SBA to guarantee up to 90 percent of a loan to a business, a business start-up, or a business purchase, focuses heavily on the borrower's character, credit, and business experience.

SBA launched the program in San Antonio in May 1993, expanding it to the rest of Texas as well as Louisiana, Arkansas, Oklahoma, and New Mexico. Based on its success in increasing the number of small loan approvals in a short time, particularly for women- and minority-owned businesses, SBA Administrator Erskine Bowles took the program nationwide this summer. SBA officials say they don't expect the reduced paperwork to make these small loans any riskier.

The program, which reflects a key goal of Bowles' performance agreement with the President, isn't his only effort to make life easier for small business owners. He and Sally Katzen, director of OMB's Office of Information and Regulatory Affairs, have initiated meetings with small business owners and other agencies to find ways to reduce the paperwork burden on small business.

Hyatt, who works in Denver, said,

> *This is what dictates to us that we should fill out a large amount of paperwork and tells us exactly what kind of documentation we need to provide. It also tells us how to put one foot in front of the other and walk down the aisle of a workplace to do our inspections.*

Hyatt was among eight OSHA workers who reduced the manual to less than 100 draft pages, cutting paperwork requirements and giving inspectors more time to, as she put it, "walk down the workplaces and protect the American workers."

CREATIVE APPROACHES TO ENVIRONMENTAL PROTECTION

In 1969, flames erupted from the burning Cuyahoga River in Cleveland, generating public outrage and prompting Congress to pass the Clean Water Act. In 1978, thousands of leaking barrels of toxic chemicals were discovered at Love Canal, leading to the Superfund law.

A quarter-century ago, federal, state, and local governments responded to public concerns and began to build the world's most advanced system of environmental protection. It did so, however, crisis by crisis, thus creating an increasingly unwieldy system of laws and regulations — 16 major national environmental laws, oversight by 74 congressional committees and subcommittees, and many thousands of environmental regulations. One mile of the San Francisco Bay delta estuary — the most human-altered estuary on the West Coast — is affected by the decisions of more than 400 agencies.

Not infrequently, the nation accomplished less environmental cleanup than it had hoped, and more "pollution shifting." Factories, for instance, put scrubbers on smokestacks to control sulfur

57

Border Cooperation

The Justice Department's Immigration and Naturalization Service (INS) and Treasury Department's Customs Service are working to alleviate the problems of "dual management" at land border ports.

Their efforts, already generating better results at several border sites, include:

- the development of joint performance standards to measure and track effectiveness;
- coordinated shift scheduling to maximize staffing of primary inspection lanes and speed the entry of travelers;
- cross-training to augment the basic curriculum of each agency's service academies;
- coordinated special operations, with teams that jointly develop and evaluate their missions; and
- the establishment of Port Quality Improvement Committees, through which management and labor representatives from both agencies work on cooperative ventures at the ports.

dioxide emissions. But the scrubbers produced waste that the companies discharged into rivers and lakes or sludge that they buried in landfills.[16]

The nation's rifle-shot approach to environmental protection is ill-suited to address the problems of the nation's multifaceted ecological systems, or "ecosystems." These systems — e.g., South Florida — provide the nation with such needed goods as food, water, energy, scientific information, and recreational opportunities.

From Red Tape to Results endorsed a concept known as "ecosystem management." Under it, managers of the land, water, and other public resources consider both the natural processes and the human activities in a given geographic region. By understanding how people interact with natural processes, the managers can better meet short- and long-term environmental goals. This approach calls upon agencies, and offices within agencies, to reach across jurisdictional fences and work together on the overarching goal of protecting ecosystems.

As an example, the Environmental Protection Agency, Interior Department, and other public and private organizations have joined in a comprehensive effort to plan and coordinate strategies to protect South Florida's ecosystem.[17]

South Florida, with a growing population of more than five million, is home to the Kissimmee River, Lake Okeechobee, Big Cypress, the Everglades, Florida Bay, the Keys and adjacent estuaries, and near-coastal waters of the Atlantic Ocean and Gulf of Mexico. The ecosystem, which faces increasingly complex environmental challenges, is the major nursery for Florida's largest commercial and sport fisheries, home to the nation's only living coral reef, North America's most significant breeding ground for wading birds, the major producer of America's winter vegetables, and a big tourist region.[18]

Besides ecosystem management, some agencies are launching other creative approaches to protecting the environment. EPA Administrator Carol Browner, for instance, is reaching out to all parties with potential roles to play. Environmental protection, she says, can no longer succeed as an adversarial process, with the polluter on one side of the table and the offended party on the other. Now, all parties must sit and work together.

This summer, she proposed the "Common Sense Initiative," a project through which the EPA will regulate six industries in their entirety — rather than on a

58

pollutant-by-pollutant basis. The six industries that Browner chose, employing almost four million Americans and representing nearly 14 percent of the economy, are iron and steel, electronics and computers, metal plating and finishing, auto manufacturing, printing, and oil refining. For each industry, the EPA is forming a team that's headed by top EPA officials but will include industry officials, environmental activists, state and local government officials, union representatives, and perhaps officials from other federal agencies. The teams may suggest regulatory changes or seek legislation from Congress.

At the Interior Department, meanwhile, Secretary Bruce Babbitt calls his effort to work across old jurisdictional lines "virtual management." As he put it, "If we go about the business of serving the public, we dismantle the barriers that separate all of the agencies one from another and that in the past, in many cases, became airtight compartments, here, even within the Interior Department."[19]

Consider what Interior Secretary Babbitt has accomplished, with the help of an internal management council[20] that he set up to meet NPR's objectives:

- In late 1993, Interior created the National Biological Survey, an agencywide effort to provide Americans with the best biological science possible. Though it has a small staff, it has called on over 100 employees from across the department and other agencies (e.g., EPA, Forest Service, National Oceanic and Atmospheric Administration) who have served on detail for anywhere from several weeks to nine months.
- The department is developing the National Spatial Data Infrastructure (NSDI), a governmentwide effort to map by spatial coordinates, where possible, data that the federal government collects. Later, the information will be stored and retrievable not only to government employees but to any private sector entrepreneur or schoolchild. NSDI will reduce wasteful duplication in the government's collection, management, and dissemination of data, on which it spends at least $4 billion a year. Secretary Babbitt chairs the Federal Geographic Data Committee — the lead organization in coordinating governmentwide NSDI activities — and other agencies have appointed high-level representatives.

BRANDEIS' VISION: STATE AND LOCAL EXPERIMENTATION

Washington often interferes unnecessarily with former Supreme Court Justice Louis Brandeis' vision that each state serve as a "laboratory" within which to experiment with new ideas.[21] The more it interferes, the more it blocks innovations that could help governments at all levels solve the pressing problems they face.

Soon after the release of *From Red Tape to Results*, the President issued two executive orders to ease the burdens and encourage experimentation:

- On September 30, 1993, he issued Executive Order 12866, encouraging agencies to avoid the use of unfunded mandates on state and local governments and opening the regulatory review process to public scrutiny. Consequently, OMB's Office of Information and Regulatory Affairs has held Regulatory Review Planning meetings with state and local representatives to find better ways through which they can participate in the regulatory process.
- On October 26, he issued Executive Order 12875, requiring federal agencies to try to avoid creating mandates for state and local action that are not accompanied by grants to pay for them. He also asked agencies to review their waiver application process to ensure that they can rule within 120 days

59

on state and local requests to waive federal legal or regulatory requirements.

The President and Congress also have worked on legislation to increase state and local flexibility in administering federally funded programs. In their top-down effort, they are trying to consolidate a slew of separate federal programs so they can provide funds for states and localities in broader categories. In their bottom-up effort, they are trying to increase state and local authority to spend federal funds in the most effective way.

One major focus of attention is education. This year's Goals 2000: Educate America Act empowered the U.S. Education secretary to waive provisions of the act, and it also gave states some limited authority to waive provisions on their own. In addition, the reauthorization of federal elementary and secondary education programs, which has progressed to a House-Senate conference committee, provides flexibility in the use of federal resources for state and local school systems.

Also in a conference committee is the Local Empowerment and Flexibility Act of 1994, which the Senate passed in March as part of the National Competitiveness Act. It would create a pilot program to give up to 60 communities the flexibility to coordinate programs and funds more efficiently across such federal assistance categories as economic development, employment training, health, housing, nutrition, rural development, transportation, public safety, and other social services.

In his fiscal 1995 budget, which he unveiled in February, President Clinton proposed consolidating programs in several departments: in Labor, benefit and training programs; in HUD, homeownership and homelessness programs; and in Health and Human Services, child care programs. HHS has consolidated four programs into one to make it easier for states to provide education, vocational rehabilitation, health, employment and training, child welfare, and other social services to families. HHS has also promised to review state requests for Medicaid and AFDC waivers in less than 120 days.

Recognizing the federal atmosphere that encourages state and local flexibility, states are devising their own plans and receiving a sympathetic ear. In January, President Clinton endorsed West Virginia's and Indiana's plans to encourage, without

Oregon's New Experiment

No state has moved further to try creative approaches to intergovernmental services, and to evaluating its programs based on results, than Oregon.

Taking NPR's words to heart, it is now seeking to experiment with the state and local flexibility that NPR advocated. "Oregon and its local governments propose a special partnership and long-range demonstration project with the federal government to redesign intergovernmental service delivery," the state wrote in *The Oregon Option*, a proposal it discussed with federal officials in July.

Under it, the federal government would work with the state and its local governments to reach agreement on outcomes that Oregon would pursue. In exchange, the federal government would merge funding categories and reduce its micromanagement, allowing the state and local governments to pursue outcomes and be held accountable for them. Specifically, state officials recommended that the demonstration project focus on Oregon's top priority — its human investment goals.

The Administration has created a federal interagency action team to work with state and local officials and others in Oregon to determine which outcomes to focus on and how to achieve them.

60

changes in federal laws, community integration of 199 federal programs for children and families. The states plan to work with Washington through memoranda of understanding and other administrative procedures.

COMMUNITY EMPOWERMENT

The federal government is poorly equipped to help communities in distress. Its separate departments, with their separate programs, treat only the symptoms of problems, not problems themselves.

In one department, social welfare experts try to treat the symptoms of poverty and family disintegration. In another, economic development specialists try to entice investment into inner-city neighborhoods. But the ills of communities are too sweeping, too interconnected to respond to such one-dimensional approaches.

President Clinton has a better way. He seeks a large shift in public policy away from the notion of looking at one problem in isolation from all others. Problems come in clusters, and the nation must treat the underlying dynamic of how they relate to one another.

Just two days after the release of *From Red Tape to Results*, the President implemented one of its key recommendations by creating the Community Enterprise Board. Its purpose, as the President's September 9, 1993, directive explained: to serve distressed urban and rural communities by implementing "a comprehensive, coordinated, and integrated approach that combines bottom-up initiatives and private sector innovations with responsive federal-state support." The board will advise and assist the President in coordinating, across agencies, the various federal programs available to distressed communities and developing further policies to help them.[22]

The Vice President serves as board chair; the vice chairs are the assistant to the President for domestic policy and assistant to the President for economic policy. Members include the secretaries of 10 Cabinet departments and heads of several other key agencies.

The board's first task was to implement the Administration's empowerment zone legislation, which Congress approved as part of the Omnibus Budget Reconciliation Act of 1993. It authorized HUD Secretary Henry Cisneros and Agriculture Secretary Mike Espy to designate — as they plan to later this year — nine communities as empowerment zones and 95 as enterprise communities, making them eligible for federal funds and other benefits:

- access to capital, credit, and banking services;
- targeted small and minority business assistance;
- investment partnerships with other financial institutions and the states;
- public safety;
- world-class schools; and
- rural development and investment initiatives.

The process is not just about obtaining federal money and other benefits, however. It is about encouraging communities to think anew about the challenges before them. Vice President Gore compares the process to the story of Dumbo's magic feather.

Dumbo the elephant, he explains, thought he could fly because of the magic feather in his trunk. Dropping the feather one day, he found that he could fly anyway. The secret was not the feather but his big ears. In the same way, the Vice President said:

> *Communities may lose the magic feather of a community empowerment award, and discover resources within themselves they never knew they had.*[23]

61

RURAL DEVELOPMENT

In South Dakota, one community was paying $7,500 to audit a community facility loan that carried a principal payment of just $8,000 a year. In response, the State Rural Development Council worked with the National Rural Development Council to convince the Agriculture Department to waive its audit requirement on smaller loans, saving taxpayers $400 million over the life of these loans.[24]

South Dakota's experience highlights how the National Rural Development Partnership — which includes both the national and state councils — is transforming rural policy as it "breaks down political, geographic, jurisdictional and other boundaries that impede" collective public and private action. Its premise is that "organizations and agencies can neither afford to act independently nor to pursue traditional rural development strategies."[25]

The national council — with senior program managers from over 40 federal agencies and representatives of public interest, community, and private organizations — guides the partnership. The state councils — with representatives from federal, state, and local governments, tribal councils, and the private sector — develop strategic responses to their states' rural development needs.

The partnership is generating success stories in the true spirit of reinventing government. Kansas' council chair, Norma Daniels, for instance, worked with state and federal agencies to create a single loan application for rural entrepreneurs who seek federal or state aid, thus replacing the numerous forms of the past.[26]

CONCLUSION

Across government, agencies are cutting the red tape of regulations, manuals, and procurement rules that has prevented federal employees from performing their jobs. No longer must good workers be trapped in bad systems, prevented from cutting costs and providing the kind of customer service that Americans deserve.

Within government, too, agencies are working better with one another. So is the federal government in its relations with states and localities. With a hand from Congress, the federal government is beginning to give these other levels of government the flexibility to spend federal resources in the most effective way.

By their very nature, though, organizations tend to grow red tape. Government is no different. By itself, each rule probably once made sense. It's the accumulation of them over time that grinds matters to a halt. To guard against it, government must adopt a ubiquitous vigilance.

62

CHAPTER FOUR:
CUTTING BACK TO BASICS

We are taking steps necessary and long overdue to revive our economy, to renew our American Dream, to restore confidence in our own ability to take charge of our own affairs.
President Bill Clinton

The quest to reinvent government is not solely about doing better; it's about doing better with less. Politicians, task forces, commissions, and newspaper articles have been ridiculing wasteful programs for as long as the nation has enjoyed democratic government. But most programs survive attack.

With the help of Congress, however, President Clinton has done more than talk. He has acted. As Alice Rivlin, OMB's then-Deputy Director, put it bluntly before the Senate Budget Committee early this year:

> *Remember the old advertisements that featured actor Robert Young from Marcus Welby, when he'd say, "I'm not a doctor, but I play one on TV?" Well, for too long we've had Presidents who weren't fiscal conservatives, but who played one on TV! Together this President and this Congress have shown the American people that old categories and labels don't make much sense anymore — it's actions that count.*[1]

LESS BORROWING, MORE REINVENTION

The Administration and Congress have made the tough decisions necessary to sharply reduce deficits for the coming years. In their five-year agreement of 1993, they slowed the growth of overall spending and applied a "freeze" to a major portion of the budget.

Because that agreement will keep spending tight for the foreseeable future, the federal government must find ways to spend the money it has more effectively. The situation requires, in essence, a new philosophy of governing that places a premium on cost-effectiveness. That's where NPR's work of the last year comes in. Reinvention is a way to proceed in this difficult environment.

As previously discussed, public confidence in government has plunged in the last 30 years. But the public has not cut its appetite for government's goods and services — retirement benefits, health care coverage, transportation and housing subsidies, investments in science and technology, support for the poor, and so on. What government faces is a public with a 1960s-era appetite for its services, but a 1980s-era attitude about its capacity to deliver.

Nor will cuts in "wasteful" spending completely close the budget gap. Yes, the

63

Administration and Congress can eliminate more programs like the wool and mohair subsidy, as they did in late 1993. They can close the Uniformed Services University of the Health Sciences, a Defense Department facility that Congress probably will keep open for now.

They can scan the budget for this and that "pork." And, to be sure, each program that they eliminate will make a difference not only in terms of savings, but in restoring the public's confidence that its tax dollars are being spent wisely. In the end, though, the nation's leaders can't completely wash away the red ink this way.

The fact is, most government spending goes for major programs that people (1) want, (2) need, or (3) must finance. In the first category are Social Security, Medicare, and other "entitlements" — programs through which benefits are allocated based on some legally established criteria, such as age or income. In the second category is defense. In the third is interest on the national debt. Taken together, entitlements, defense, and interest account for about 85 percent of all federal spending.

What the government needs, then, is a new, more efficient way to deliver basic services. *From Red Tape to Results* provided a blueprint of principles to enable the government to operate more effectively with less money, not just today but in the future. Fiscally speaking, NPR's management philosophy is far more important than the specific program cuts that it advocated.

SLOWING THE RED INK

In early 1993, the Office of Management and Budget projected annual deficits of:

Fiscal year	Deficit (estimated)
1994	$305 billion
1995	$302 billion
1996	$298 billion
1997	$347 billion
1998	$388 billion

But in July 1994, a year after the President and Congress agreed to a five-year deficit reduction plan, OMB projected annual deficits of:

Fiscal year	Deficit (estimated)
1994	$220 billion
1995	$167 billion
1996	$179 billion
1997	$190 billion
1998	$192 billion

The budget law, officially the Omnibus Budget Reconciliation Act of 1993, was designed to cut more than a half-trillion dollars off the projected deficits of 1994-98 through a balance of spending cuts and tax increases. Now, for the first time since Harry Truman was President, the deficit is expected to fall at least three years in a row — from $290 billion in 1992, to $255 billion in 1993, to the much lower estimates, cited above, for 1994 and 1995. As a share of the economy, a key measure of its impact on economic growth, the deficit will fall from 4.9 percent in 1992 to 2.4 percent in 1995 — its lowest level since 1979.

In fact, the 1993 law is exceeding all expectations. While the spending and tax changes account for the half-trillion dollars in savings mentioned above, unexpectedly strong economic growth has increased the five-year deficit savings to almost $700 billion. Tax receipts are higher, while spending on unemployment compensation and some other social programs is lower.

And yet, some officials may have foreseen this year's strong economic performance, which continues to add millions of new jobs to the economy. As Federal Reserve Chairman Alan Greenspan said in early 1994:

The actions taken last year to reduce the federal budget deficit have been instrumental in creating the basis for declining inflation expectations and easing pressures on long-term interest rates. Although we may not all agree on the specifics of the deficit reduction measures,

64

the financial markets are apparently inferring that, on balance, the federal government will be competing less vigorously for private savings in the years ahead.[3]

Deficit reduction and economic growth go hand-in-hand. All else being equal, the former should lead to the latter. As Greenspan suggested, by reducing future deficits, the Administration and Congress have ensured that the federal government will drain less from the nation's pool of savings, thus freeing up more of those funds for productive private investments.[4]

A key element in the revised deficit forecasts are strict new caps on annual spending. In each of the next five years, total federal spending on discretionary programs[5] — that is, non-entitlement domestic programs, defense, and international aid — must fit under a pre-determined overall limit. From year to year, the caps are the most stringent that the federal government has ever adopted.

Adjusted for emergency spending and technical changes, they now stand at:[6]

Fiscal year	Limit
1994	$547 billion
1995	$544 billion
1996	$549 billion
1997	$548 billion
1998	$547 billion

Essentially, the President and Congress have frozen discretionary spending for the next five years, even prohibiting increases to account for inflation. By way of comparison, discretionary programs rose 4.8 percent a year in nominal terms under Presidents Reagan and Bush.

Almost every major category of federal spending is expected to hold steady or fall as a share of the economy over the next decade. That includes Social Security, most other entitlements, civilian and military retirement programs, discretionary spending, and interest on the national debt. The only exception is federal health care spending, represented almost entirely by Medicare and Medicaid.

It is, in fact, only because of those two programs that the deficit is expected to begin rising again in the late 1990s. Only by reining in health care costs, as the President has urged for nearly two years, can the government solve its deficit dilemma for good.

MAKING THE TOUGH CHOICES

Never has the widely held dictum proved more true: "To govern is to choose." Under the budget law, for every program that the President and Congress want to increase, they will have to cut somewhere else.

Sometimes, the choices are almost irresistible. For years, federal subsidies for wool and mohair appeared on the "hit lists" of deficit-conscious lawmakers and private groups. Year after year, though, the program's supporters mustered the votes to save it.

The wool and mohair program, a relic of the National Wool Act of 1954, established incentives to wool producers after the military had run short of the wool it needed for uniforms in World War II and the Korean Conflict. More recently, the subsidies have cost taxpayers $200 million a year, prompting the *New York Times* to call this outdated program the "mohair toilet seat."[7] After NPR's call for its repeal, and through the persistence of Sen. Richard Bryan, D-Nevada, Congress voted in late 1993 to phase out the program by the end of 1995. The savings: $695 million by 1999.

For fiscal 1995, the President continued to dispense with old priorities. In his budget, which he sent Congress early this year, he proposed not only to cut more than 300 programs but to eliminate 115 of them. Meanwhile, the 1993 budget agreement extended the pay-as-you-go requirement of existing law. In essence, proposals to create a new entitlement program,[8] expand an existing one, or cut taxes must be offset by either cuts in other entitlements or tax increases. If changes in entitlements or taxes do not cover their costs, the law triggers an automatic, across-the-board cut in entitlement spending.

65

Combined with the annual caps on discretionary spending, the pay-as-you-go requirements will keep the total increases in federal spending below those of recent years. Compared to the period from 1981 to 1993, when total spending rose an annual average of 6.3 percent, total annual spending is expected to rise 4.6 percent from 1994 to 1999. Consequently, federal spending also will fall as a share of the economy (i.e., Gross Domestic Product) — from 23.1 percent from 1981-93 to just 21.6 percent from 1994-99.

Along with signing the budget agreement in August 1993, the President signed Executive Order 12857, establishing annual spending targets for entitlements through 1997 and mechanisms through which he and Congress can respond if those targets are breached. Also in August, the President signed Executive Order 12858 to ensure that the government applies the deficit savings from the 1993 budget agreement solely to reducing the deficit — not to more spending. It created a deficit reduction fund and ordered that the government credit it with amounts equal to the deficit savings.

ANOTHER TOOL FOR THE PRESIDENT

As illustrated above, spending decisions emerge from the dual roles of the President and Congress. The executive proposes a budget, Congress works its will on it, and the President accepts or rejects Congress' handiwork when he signs or vetoes its spending bills.

Though the two branches have made notable progress on the deficit, they need to stick closely to the 1993 budget agreement. In particular, they need to exercise continued discipline to limit spending. One way would be to expand the tools at the President's disposal.

NPR recommended that Congress give the President a tool known as "expedited rescission."[9] Under current law, Congress can kill presidential proposals to rescind — that is, not spend — funds that were previously approved simply by ignoring them. An "expedited rescission" would force Congress to vote on those presidential requests.

Though Congress has not yet approved the idea, support for it seems to be growing. In July, the House overwhelmingly passed a measure to increase the President's power beyond what had been contemplated. Rather than just propose spending cuts, the legislation would enable the President to propose killing targeted tax breaks. And unlike earlier legislation, which would have created an "expedited rescission" only for a short period of time, the measure approved in July would create such authority permanently.[10] Continuing Senate opposition, however, may keep it from enactment.

CAN DEFENSE AFFORD ITS HEALTH UNIVERSITY?

Fiscally, at least, the proposal to eliminate the Defense Department's Uniform Services University of the Health Sciences seemed easy to justify.

Yes, the 22-year-old university in Bethesda, Maryland, once served to offset a shortage in Defense Department medical personnel. But as the Congressional Budget Office noted, university physicians cost the government $562,000 each, compared to $110,000 per physician in subsidies under the Health Professions Scholarship Program. Closing the facility and relying on the scholarship program and volunteers would save the department $300 million over five years.[11]

NPR wasn't the first entity to recommend the closing. Others have included the Grace Commission of more than a decade ago and various groups of lawmakers in packages of spending cuts that have circulated on Capitol Hill. The Office of Management and Budget, Congressional Budget Office, and others have documented its high costs.

66

The question was not whether the university was a worthwhile venture. Sure it was, in an earlier era of seemingly limitless resources. Rather, the question was, could the Defense Department afford to keep running a university that supplied only 10 percent of its physicians, at a much higher cost than other sources, and at a time when Americans have demanded cuts in defense appropriations.

As Senator Russell Feingold, D-Wisconsin, put it:

> *With the overall downsizing of our force structure, and the continued pressure put on the entire federal budget by our deficit, it doesn't make good economic sense to keep funding USUHS. It is only a matter of time before the school is closed down.*[12]

Not so fast! Few eliminations of programs or facilities are easy to push through Congress, and this was no exception. The tale of this facility points up the obstacles that all proposals of this type will face.

It was not long after President Clinton proposed the elimination that the university's supporters went to work. University Professor Matthew Pollack wrote an impassioned defense of the facility for the *Washington Post.* The area's federal representatives as well as candidates for federal offices vowed not to let it die. So, too, did lawmakers on important defense-related committees.

Actually, the university's elimination was included in NPR-related legislation that passed the House. In the Senate, however, supporters and opponents squared off.

In the end, the Senate adopted a compromise: Under an amendment, the General Accounting Office would study the facility and report back to Congress by next July. Whether even a recommendation by GAO to kill the university (if it comes to that) would tip the scales against USUHS or just take a place alongside its predecessors remains to be seen.

CONCLUSION

Working together, the President and Congress have reversed the upward spiral of deficits, putting them on a downward course for the next several years. That path should ease pressure on interest rates, provide capital for investors, and help spur economic growth.

The government will continue to operate in an environment of scarce resources. Gone are the days of unlimited funds, of certain new pots of money to dispense. Now, the government truly must work better while it costs less.

Forced to do better — to provide improved customer service at lower costs — agencies and employees need the management principles and philosophies embedded in *From Red Tape to Results* and this year's anniversary update. They contain the key to effective governing, the method of performing within the box of fiscal constraint.

67

STILL TO DO:
LOTS MORE

STILL TO DO: LOTS MORE

I find the greatest thing in the world is not so much where we stand, as in what direction we are moving.

Oliver Wendell Holmes
1858

This status report has described the first year's progress of the President, Congress, departments and agencies, and federal workers in implementing NPR's recommendations. Much has been accomplished, but no one doubts that there's a long way to go. Other large organizations have found that real cultural change takes eight to 10 years. The federal government won't get it done much faster.

As the reinventing government effort moves into its second year, big challenges remain. The following is a preview:

Streamline federal agencies. In responding to last year's report, *From Red Tape to Results*, federal employees as well as the public focused much of their attention on NPR's call for personnel cuts. But personnel cuts were inevitable under any Administration — even more so under an Administration as serious about deficit reduction as is the Clinton Administration. NPR has a much bigger challenge than that of cutting the workforce. Its challenge is to cut personnel and improve service *at the same time.*

The key: cutting in the places where government is expending too much effort for only a marginal contribution — or even worse, a negative contribution — to the public good. That means the multiple layers of government, large number of headquarters staff, and divisions devoted to micromanagement. Such streamlining is hard work, much harder than the simple task of cutting everything equally across the board. And yet, it's the only way to fulfill not only the "costs less" portion of NPR's mandate but the "works better" pledge as well.

Conduct more serious reengineering of work processes. Before long, any serious student of the federal government discovers agencies that seem plagued by problems that persist from administrator to administrator, from secretary to secretary, indeed from President to President. For too long, the nation has blamed these chronic problems on people rather than on the real culprit — systems.

NPR needs to encourage and support large, fundamental reengineerings. Some are under way. With a long history of backlogs in its disability system, the Social Security Administration recently completed a bold plan to restructure its disability claims process. The Defense Department has piloted a radically streamlined travel authorization process that, when applied departmentwide, should save $1 billion.

The New President's Management Council

The President followed through on one of NPR's major recommendations by setting up the President's Management Council to lead the quality revolution and to ensure implementation of NPR reform. The Council comprises newly designated chief operating officers of the cabinet departments and several major agencies. So far it has helped get the Administration's "buyout" bill passed, cleared the way for agency customer service standards, and worked productively on reforming federal field structure and the civil service.

Across the government, more agencies need to undertake similar exercises. The Federal Aviation Administration needs to modernize its air traffic control operations. The Food Safety and Inspection Service needs to become a science-based agency. Federal law enforcement agencies need to develop collaboration strategies. The nation needs to stop blaming people and start looking at systems, especially where the problems seem to outlast the people.

Improve service delivery to the people. This task involves not just delivering on the government's customer service commitments, crucial as they are. It involves changing the grants system to give state and local governments more flexibility to focus on achieving measurable results. It involves creating partnerships across agencies and across levels of government to achieve better results. It involves using information technology to improve services to the public.

In the past decade, the gap between the customer service that Americans experience in the private sector and what they experience in the public sector has grown. That gap, in turn, has helped to generate more cynicism about government. The government needs to start closing the gap.

Educate every federal employee. Despite what most federal workers have heard, NPR is not just about streamlining. Its more compelling message is about putting customers first, about empowering employees, and about cutting red tape. Much hard work lies ahead in teaching federal workers how to reach these goals — in essence, how to reinvent government. NPR needs to mobilize every training resource available to the federal government, including the Federal Quality Institute, the Federal Executive Institute, and agency trainers.

Reform the civil service system. To create a flexible federal government that's dedicated to continuous improvement, the government needs a personnel system that can accommodate a new, reinvented government while preserving the principles of the merit system that have served this country so well. The President and Congress must take legislative action to create this new system. In NPR's second year, the President will propose such legislation and urge Congress to act upon it.

Shift the government's focus to measuring results, rather than controlling inputs. No government can sustain itself for long without a strong system of accountability to its legislative branch and its citizens. But the old methods of accountability have often served to tie up the government in endless reams of useless and expensive red tape. As the government rids itself of the old systems, it needs to replace them with new, stronger systems of accountability.

Congress recognized this need when it passed the Government Performance and Results Act of 1993. The President signed it in August 1993, and the Vice President urged, as part of NPR, that the government speed up its implementation. This act, and the performance agreements that the President has been signing with the heads of major agencies, will help to create a new mode of accountability — one that measures results rather than inputs.

Those who have been working on this issue harbor no illusions about how difficult this transformation will be. They will need all the help they can get — from academics, from government employees, and from legislators — to create meaningful measures of government performance. But only a system of outcome-based accountability will free up government workers to do their jobs.

In the next year, agencies will be pursuing scores of other important initiatives that will help to reinvent the federal government. This process must not end. Government owes it to the American people to see that it continues.

As President Clinton exhorted federal workers this past summer,

> *Put people first. They're your customers. Design your systems to please the people you serve. Let them measure your success. Give their government back to them.*

ENDNOTES

ENDNOTES

INTRODUCTION

1. Gale Noble. The quotes and most of the information come from the National Performance Review Veterans Affairs event, March 11, 1994. Other information is from Vice President Gore, "The New Job of the Federal Executive," Remarks to the Marver H. Bernstein Symposium on Government Reform, Georgetown University, March 29, 1994, pp. 3-4.
2. Vice President Gore, "Remarks by the President and Vice President on Presenting the National Performance Review," the Rose Garden, the White House, Sept. 7, 1993.
3. *Reinventing Government: Six Month Status Report*, March 7, 1994, p. 2.
4. "Reinvention Reading," *Reinvention Roundtable*, Feb. 18, 1994, p. 6. Management guru Tom Peters offers a similar conclusion in his Foreword to a commercial version of the NPR report. In general, scholars viewed the report with caution, but several also praised it. For example, in a report for the Brookings Institution, Donald F. Kettl observed, "The NPR has the potential, together with the New Deal and the Hoover Commissions, to be one of the three most important administrative initiatives of the twentieth century" (p. 4) and "In sum, the NPR, in its first year, accomplished far more than cynics suggested might be possible" (p. vii). See *Reinventing Government? Appraising the National Performance Review*, (Washington, D.C.: Brookings Institution, August 1994). Similarly, James Q. Wilson noted in a recent lecture, "In my judgment, the Gore Report is the best White House statement I have ever read about what citizens really want from government administrators and how, in theory, that can be delivered." See "Reinventing Public Administration," the John Gaus Lecture, American Political Science Association (September 2, 1994), p. 18.
5. U.S. General Accounting Office, *Management Reform: GAO's Comments on the National Performance Review's Recommendations*, GAO/OCG-94-1, December 1993, cited in *Reinventing Government: Six Month Status Report*, March 7, 1994, p. 2.
6. William J. Perry, NPR Defense Department event transcript, March 28, 1994, p. 5.
7. President Clinton, "Remarks by the President and the Vice President During Reinventing Government Event," the Roosevelt Room, the White House, March 3, 1994.
8. Budget of the United States Government: Fiscal Year 1995, p. 157.

CULTURE CHANGE: REINVENTING THE FEDERAL GOVERNMENT

1. See, for instance, Rauch, Jonathan, *Demosclerosis: The Silent Killer of American Government* (New York: Times Books, 1994), based on the author's article, "Demosclerosis," *National Journal*, Sept. 5, 1992, pp. 1998-2003.
2. Interview with Dan Beard, July 19, 1994.
3. United States Department of the Interior, Bureau of Reclamation, "Biography of Daniel P. Beard."
4. The following discussion is based on interviews with Beard and NPR's Doug Farbrother; a transcript of NPR's Interior Department event; President Clinton's and Vice President Gore's remarks at the White House, March 3, 1994; and a Feb. 24, 1994, memo from Jody Kusek, the Interior Department's NPR implementation manager, to Elaine Kamarck and Bob Stone.
5. Roger Patterson, "Remarks by the President and the Vice President During Reinventing Government Event," the Roosevelt Room, the White House, March 3, 1994, p. 3.
6. National Academy of Public Administration, *Coping with Catastrophe: Building an Emergency Management System to Meet People's Needs in Natural and Manmade Disasters*, February 1993, p. ix. The report continues: "[A] small independent agency could coordinate the federal response to major natural disasters, as well as integrate other emergency management functions, but only if the White House and Congress take significant steps to make it a viable institution. FEMA has been ill-served by congressional and White House neglect, a fragmented statutory charter,

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irregular funding, and the uneven quality of its political executives appointed by past presidents. In short, the agency remains an institution not yet built."
7. Witt used a lottery to choose which lower-level staff to bring to Washington.
8. Certificate, signed by James Lee Witt.
9. Lochhead, Carolyn, "Stark Withdraws Bill to End FEMA," *San Francisco Chronicle*, Sept. 16, 1993, p. A8.
10. Similarly, Veterans Affairs Secretary Jesse Brown closed the VA's executive dining room soon after taking office, saying, "A rank-based dining room leaves a bad taste in my mouth." See "Rank Hath No Privilege in VA Mess Hall," *Washington Post*, Jan. 26, 1993, p. A15.
11. Much of the following material comes from the transcript of NPR's Labor event, June 20, 1994.
12. Vice President Gore, *From Red Tape to Results*, p. 49.
13. U.S. General Accounting Office, *Multiple Employment Training Programs: Overlap Among Programs Raises Questions About Efficiency*, GAO/HEHS-94-193, July 1994, p. 2.
14. Del Valle, Christina, "The Job-Training Squabbles: Is This Any Way to Reinvent Government?" *Business Week*, Aug. 1, 1994, p. 37.
15. Robert Reich, NPR Labor event transcript, June 20, 1994, p. 17.
16. Gary De Rosa, Labor Department dislocated worker specialist in Seattle, Labor event transcript, June 20, 1994, p. 14. De Rosa went on to say, "I think out of crisis comes opportunity. I think the crisis that the Northwest was facing, particularly the Puget Sound area, provided an opportunity to reinvent the way the system operated. There was enough of an impetus to say, 'We can't operate the way we've been operating. We've got to find a more effective way to structure these programs, for the good of the workers that were impacted.' "
17. Paulette Alston, NPR Labor event transcript, July 20, 1994, p. 13.
18. Karen Ayers, NPR Labor event transcript, June 20, 1994, p. 15.
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20. Zollinger, John, "Wake-Up Call," p. 1348.
21. *People, Processes and Partnerships: A Report on the Customs Service for the 21st Century*, July 21, 1994, p. 6.
22. Much of the information in this box comes from the transcript of NPR's Treasury event, March 28, 1994.
23. Department of Housing and Urban Development, *Reinventing HUD*, March 3, 1994.
24. National Academy of Public Administration, Renewing HUD: *A Long-Term Agenda for Effective Performance, Summary Report*, July 1994.
25. Department of Housing and Urban Development, *Reinventing HUD*, p. 1.
26. Memorandum from Aylin Gonen, "Possible Reinvention Activities to Highlight in NPR Report," Department of Housing and Urban Development, Office of the Secretary, July 21, 1994.

PROGRESS REPORT

CHAPTER ONE: PUTTING CUSTOMERS FIRST

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2. Vice President Gore, NPR's Social Security Administration event transcript, June 6, 1994, p. 7.
3. William J. Clinton, "Executive Order 12862: Setting Customer Service Standards," Sept. 11, 1993.
4. *A Vision for Government Information Technology Services and the National Information Infrastructure*, Government Information Technology Services (GITS) Working Group, July 1994, p. 1. Much of the following material comes from this report.
5. "Mapping the Way to Better Customer Service," NPR Success Story Library.
6. This is no small order. As the EBT report notes, the annual flow of funds for Visa, the nation's most widely used credit card, is about $175 billion to $180 billion. See *From Paper to Electronics: Creating a Benefit Delivery System that Works Better and Costs Less*, Report of the Electronic Benefits Transfer Task Force, May 1994, pp. 5, 8.
7. Al Watkins, NPR Interior event transcript, May 31, 1994, p. 9.
8. Peter Rogers, NPR Commerce event transcript, April 6, 1994, p. 41. The transcript provides much of the material for this box.
9. Ronald H. Brown, NPR Commerce event transcript, April 6, 1994, p. 57.
10. McAllister, Bill, "Millions of Letters Undelivered," *Washington Post*, July 20, 1994, p. A1. This article and others that appeared in the *Post* over the next several days provided much of the material for this section about the Postal Service's problems.

CHAPTER TWO: EMPOWERING EMPLOYEES TO GET RESULTS

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2. The information about Red River comes from "Labor-Management Partnership Across the Federal Government," a compilation of examples from the National Partnership Council, as of June 17, 1994, pp. 5-6, and Shoop, Tom, "Brave New Leadership," *Government Executive*, July 1994, pp. 23-30.
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4. Harris, Christy, "Unlikely Partners Talk Teamwork," *Federal Times*, July 18, 1994, p. 1.
5. "IRS Partnership Expands," *Government Executive*, July 1994, p. 8.
6. "Partnerships Roll Out," *Government Executive*, June 1994, p. 8.
7. Causey, Mike, "A Union Response," *Washington Post*, April 25, 1994, p. D2.
8. U.S. General Accounting Office, *Federal Labor Relations: A Program in Need of Reform*, GAO/GGD-91-101, July 1991, p. 2 and throughout.

9. David Luther, National Partnership Council meeting transcript, Nov. 19, 1993, p. 6.
10. The following examples, and much of the language, comes from Office of Management and Budget, "List of GPRA Pilot Project Designations," Jan. 31, 1994.
11. Cabinet secretaries who have signed an agreement include HUD Secretary Henry G. Cisneros (as discussed in the HUD write-up in the "Culture Change" section of this report), Labor Secretary Robert B. Reich, Interior Secretary Bruce Babbitt, Veterans Affairs Secretary Jesse Brown, and Transportation Secretary Federico Peña. The heads of other agencies include Erskine B. Bowles, administrator of the Small Business Administration, and Roger Johnson, administrator of the General Services Administration. Much of the following discussion about performance agreements comes from the agreements themselves as well as from Kamarck, Elaine, "Presidential Performance Agreements — A Vehicle for Obtaining Accountability," June 14, 1994.
12. The following discussion is based on Vice President Gore, "The New Job of the Federal Executive," Remarks to the Marver H. Bernstein Symposium on Government Reform, Georgetown University, March 29, 1994.
13. Kamarck, Elaine, "Presidential Performance Agreements — A Vehicle for Obtaining Accountability," June 14, 1994.
14. Much of the discussion that follows comes from "Reducing the Federal Workforce: The Real Story Behind the 252,000," *Reinvention Roundtable*, v. 1, no. 1, Feb. 18, 1994, pp. 1, 5.
15. Barr, Stephen, "A Management Tool that Managers Control," *Washington Post*, March 28, 1994, p. A19.
16. "Statement on Signing the Federal Workforce Restructuring Act of 1994," Administration of William J. Clinton, 1994, p. 651.
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19. Vice President Gore, Office of Personnel Management event transcript, July 13, 1994, p. 5.
20. For a discussion of GSA and OMB, see the next chapter.
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23. Vice President Gore, Office of Personnel Management event transcript, July 13, 1994, p. 12.
24. Barr, Stephen, "Downsizing Reinvention?" *Washington Post*, May 2, 1994, p. A17.

CHAPTER THREE: CUTTING RED TAPE

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4. Wilett Bunton, NPR Defense event transcript, March 28, 1994, p. 17.
5. Remarks of Sen. John Glenn, D-Ohio, at the White House briefing, Oct. 26, 1993, announcing the procurement changes.
6. Federal News Service transcript, Remarks of Vice President Gore, White House Briefing, Room 450, Old Executive Office Building, Oct. 26, 1993, p. 3.
7. Federal News Service transcript, Remarks of Lt. Col. Brad Orton, White House Briefing, Room 450, Old Executive Office Building, Oct. 26, 1993, p. 7.
8. Towell, Pat, "Bill To Streamline Purchasing Gains House Approval," *Congressional Quarterly*, July 2, 1994, p. 1822.
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11. Mark Koehler, NPR GSA event transcript, June 17, 1994, p. 37.
12. Panetta, Leon E., and Rivlin, Alice M., Office Memorandum No. 94-16, OMB, March 1, 1994, p. 1.
13. Kettl, Donald F., *Reinventing Government? Appraising the National Performance Review* (Washington, D.C.: Brookings Institution, August 1994), pp. 41-42.
14. The information and quotes come from "Remarks by the President and the Vice President During Reinventing Government Event," the Roosevelt Room, The White House, March 3, 1994, p. 5.
15. See U.S. Small Business Administration, "LowDoc Loan Program: Fact Sheet," and Litvan, Laura M., "Some Rest For The Paperwork-Weary," *Nation's Business*, June, 1994, p. 38.
16. This and the two preceding paragraphs came from Browner, Carol M., "The Common Sense Initiative: A New Generation of Environmental Protection," Center for National Policy Newsmaker Luncheon, July 20, 1994.
17. Other organizations include the Army Corps of Engineers, the Agriculture Department's Soil Conservation Service, Florida's Marine Research Institute, the South Florida Water Management District, and Bishop State Community College in Mobile, Alabama.
18. Internal briefing materials, Environmental Protection Agency.
19. Bruce Babbitt, NPR Interior Department event transcript, May 31, 1994, p. 1. The transcript from that event and a Feb. 24, 1994, memo from Interior's NPR implementation manager Jody Kusek to Elaine Kamarck and Bob Stone provide much of the material for the ensuing discussion.
20. The council includes deputy assistant secretaries, deputy bureau directors (career and political), and representatives from the policy, legal, finance, and budget offices. It addresses such strategic issues as streamlining plans, strategic planning and customer service plans, and departmental training in reengineering and quality management. See the Feb. 24, 1994, memo from Jody Kusek, Interior's NPR implementation manager, to Elaine Kamarck and Bob Stone.
21. Much of the material that follows comes from "Talking

Points for National Rural Development Partnership Conference," Washington, D.C., April 13, 1994.
22. William J. Clinton, Memorandum to the Vice President and 17 senior Administration officials, Sept. 9, 1993.
23. Remarks by Vice President Al Gore at the Kennedy School Forum, Dec. 6, 1993, p. 12.
24. "National Rural Development Partnership," Mission Statement, January 1994.
25. "National Rural Development Partnership," January 1994.
26. "Success Stories from the National Rural Development Partnership," Attachment A.

CHAPTER FOUR: CUTTING BACK TO BASICS

1. "Testimony of Alice M. Rivlin," Senate Budget Committee, Feb. 9, 1994, p. 3.
2. The following material comes from the *Mid-Session Review of the 1995 Budget*, July 1994; congressional testimony earlier this year by Leon E. Panetta, then OMB's director, and Alice M. Rivlin, then OMB's deputy director and now its acting director; and various other sources.
3. Quoted in Panetta, Leon E. "Hearing on the Fiscal Year 1995 Budget," House Budget Committee, Feb. 9, 1994, p. 5.
4. For explanations of this argument, see Friedman, Benjamin, *Day of Reckoning: The Consequences of American Economic Policy Under Reagan and After* (New York: Random House, 1988).
5. Those programs are funded each year through appropriations bills.
6. The following figures are for outlays — that is, actual spending — rather than budget authority, which is the authority to spend money.
7. Quoted in Rauch, Jonathan, *Demosclerosis* (New York: Times Books, 1994), p. 205.
8. A program under which individuals receive benefits based on some criteria, such as age or income. Perhaps the best-known entitlement is Social Security.
9. Vice President Gore, *From Red Tape to Results*, pp. 94-5.
10. Hager, George, "House Passes Strong Rescissions Bill," *Congressional Quarterly*, July 16, 1994, p. 1909.
11. United States Congressional Budget Office, *Reducing the Deficit Spending and Revenue Options*, Washington, D.C., February 1993, p. 104.
12. Feingold, Russ, "Close Down that School," *Washington Post*, April 12, 1994, p. A19.

APPENDICES

APPENDIX A: STATUS OF MAJOR RECOMMENDATIONS BY AGENCY

NPR's September 7, 1993, report contained 254 major recommendations affecting major government agencies. These recommendations are discussed in more detail in separate accompanying reports, which break these recommendations into about 835 specific action items. Of these action items, agencies report that 12 percent are complete and another 80 percent are in progress. Following are highlights of agency reinvention activities.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

NPR RECOMMENDATIONS

AID01	Redefine and Focus AID's Mission and Priorities
AID02	Reduce Funding, Spending, and Reporting Micromanagement
AID03	Overhaul the AID Personnel System
AID04	Manage AID Employees and Consultants as a Unified Workforce
AID05	Establish an AID Innovation Capital Fund
AID06	Reengineer Management of AID Projects and Programs
AID07	Consolidate or Close AID Overseas Missions

AGENCY PROGRESS TO DATE

New enabling legislation was introduced in February 1994 to redefine AID's mission and expand agency authorization; House and Senate action are pending. In addition, AID published a strategic plan to refine the framework for foreign assistance.

To emphasize the agency leadership's commitment to change, the entire agency has been designated a "reinvention lab," and teams across the agency are involved in reengineering major processes like procurement and financial management. To date, it is in the process of developing a zero-based, cross-cutting budget preparation process and has begun overhauling its personnel system to focus on more appropriate training and rotational assignments, to create a more diverse workforce, and to increase employee participation in decisionmaking.

AID began reorganizing and rightsizing headquarters and has set in place a major realignment of field offices, with 21 missions to close by FY 1996. In addition, it has reduced the use of outside contractors by 20 percent.

DEPARTMENT OF AGRICULTURE

NPR RECOMMENDATIONS

USDA01	End the Wool and Mohair Subsidy
USDA02	Eliminate Federal Support for Honey
USDA03	Reorganize the Department of Agriculture to Better Accomplish Its Mission, Streamline Its Field Structure, and Improve Service to its Customers
USDA04	Implement a Consolidated Farm Management Plan
USDA05	Administer the Employment and Training Requirement for Food Stamp Recipients More Effectively and Efficiently
USDA06	Encourage Better Food Package Management Practices and Facilitate Multi-State Contracts for Infant Food and Formula Cost Containment in the WIC Program
USDA07	Deliver Food Stamp Benefits Via Electronic Benefits Transfer to Improve Service to Customers While Remaining Cost-Effective

AGENCY PROGRESS TO DATE

Congress has phased out the outdated wool and mohair subsidies and for fiscal years 1994 and 1995, eliminated federal support for honey. The department is also taking significant steps to streamline its organizational structure, which have been approved by the Senate and are pending before the House. Once these changes are enacted, the department will streamline its field office structure. This will involve reducing the number of USDA agencies from 43 to 29 and consolidating or closing 1,100 field offices, which will be replaced by a more effective network of USDA service centers operating under a customer service plan. This action will save $1.7 billion over five years. USDA is coordinating with other federal agencies to develop a consolidated farm management plan to better serve the nation's farmers.

USDA is leading the governmentwide effort to assess federal field structures, and internally, the department has redesigned key processes to improve customer service, empower employees, and reduce costs. USDA was one of the first departments to sign a National Partnership Agreement with its unions.

USDA is also working with states to encourage cost containment in the Women, Infants and Children food supplement program by revising contract requirements and by encouraging the use of electronic benefits transfer in the food stamp program for the delivery of benefits directly to the recipient.

DEPARTMENT OF COMMERCE

NPR RECOMMENDATIONS

DOC01	Reinvent Federal Economic and Regional Development Efforts
DOC02	Provide Better Coordination to Refocus and Leverage Federal Export Promotion
DOC03	Reform the Federal Export Control System for Commercial Goods
DOC04	Strengthen the Tourism Policy Council
DOC05	Create Public/Private Competition for the NOAA Fleet

DOC06	Improve Marine Fisheries Management
DOC07	Provide EDA Public Works Loan Guarantees for Infrastructure Assistance
DOC08	Establish a Manufacturing Technology Data Bank
DOC09	Expand Electronic Availability of Census Data
DOC10	Amend the Omnibus Trade and Competitiveness Act to Increase the Data Quality of the National Trade Data Bank
DOC11	Eliminate Legislative Barriers to the Exchange of Business Data Among Federal Statistical Agencies
DOC12	Establish a Single Civilian Operational Environmental Polar Satellite Program
DOC13	Use Sampling to Minimize Cost of the Decennial Census
DOC14	Build a Business and Economic Information Node for the Information Highway
DOC15	Increase Access to Capital for Minority Businesses

AGENCY PROGRESS TO DATE

The Department of Commerce is working closely with industry and other federal agencies to develop a comprehensive and coordinated strategy for meeting the nation's export/import needs that encourages economic interests while preserving technical competitiveness. Four Export Assistance Centers have opened that pull together the services offered by DOC, SBA, AID, and the Export-Import Bank into one location, enabling customers to have all their needs addressed at the same time. Eleven new centers will open in 1995. With the Tourism Policy Council, DOC is also conducting a review of all federal tourism programs, international tourism being the third largest export.

DOC is expanding the availability of information to the public, particularly through the use of information technology. The FEDWORLD electronic bulletin board allows public access to a great range of federal government information. In addition, the department is establishing a manufacturing technology data bank, to expand the availability of census data and to enhance the quality of the National Trade Data Bank. Commerce, Defense, and NASA have agreed not to duplicate satellite information-gathering activities, allowing for shared information and reducing long-term costs by several hundred million dollars.

To encourage employee empowerment and customer service, Secretary Brown has issued a reinvention "permission slip" to DOC employees, encouraging them to use their best judgment to serve customers better. A specific example of improved productivity and increased customer service is the Computer-Assisted Survey Information Collection (CASIC) program. CASIC integrates the collection, processing, and management of Census data with automation, telecommunications, and links between modular data collection and processing components. CASIC will help to reengineer the business process that will be used to conduct the Year 2000 Census.

DEPARTMENT OF DEFENSE

NPR RECOMMENDATIONS

DOD01	Rewrite Policy Directives to Include Better Guidance and Fewer Procedures
DOD02	Establish a Unified Budget for the Department of Defense
DOD03	Purchase Best Value Common Supplies and Services
DOD04	Outsource Non-Core Department of Defense Functions

DOD05	Create Incentives for the Department of Defense to Generate Revenues
DOD06	Establish and Promote a Productivity-Enhancing Capital Investment Fund
DOD07	Create a Healthy and Safe Environment for Department of Defense Activities
DOD08	Establish a Defense Quality Workplace
DOD09	Maximize the Efficiency of DOD's Health Care Operations
DOD10	Give Department of Defense Installation Commanders More Authority and Responsibility Over Installation Management
DOD11	Reduce National Guard and Reserve Costs
DOD12	Streamline and Reorganize the U.S. Army Corps of Engineers

AGENCY PROGRESS TO DATE

The Department of Defense has significantly streamlined its operations, reducing its civilian workforce by about 57,000 employees since January 1993. It has led federal agencies in developing such streamlining tools as buyouts, transfers to other agencies, and outplacements. In addition, it has reengineered many of its procurement processes and support services, allowing for timely and appropriate competition for federal contracts, smart purchasing decisions, and greater customer service for both internal and external customers. For example, steps needed to manage DOD travel have been reduced on a pilot basis from 17 to 4. When implemented departmentwide, the new procedure is expected to save more than $1 billion over five years. In line with the commercial marketplace, unwieldy military specifications in procurement contracts are being replaced where appropriate with commonly used commercial language. At the Secretary's initiative, DOD field offices wishing to use military specifications in these cases now must request waivers to do so. Taken together, these initiatives will generate additional savings.

In recognition of the significant environmental impact of DOD operations, the department is working with stakeholders to address both cleanup needs and pollution prevention. Legislation is pending that would allow DOD personnel to use revenues from the sale of recyclable materials for mission-related purposes. Also, legislation is pending that would allow the Corps of Engineers to recover additional costs of processing certain permit applications.

Quality training for DOD employees has been initiated departmentwide. DOD has authorized funding to accelerate deployment of currently available commercial technology in its 12 health care regions. The concept of paperless outpatient medical records is currently being tested at Scott Medical Center in Belleville, Illinois.

The Corps of Engineers has initiated a restructuring process aimed at making the Corps a more efficient organization without closing any district or division offices.

DEPARTMENT OF EDUCATION

NPR RECOMMENDATIONS

ED01	Redesign Chapter 1 of Elementary and Secondary Education Act
ED02	Reduce the Number of Programs the Department of Education Administers
ED03	Consolidate the Eisenhower Math and Science Education Program with Chapter 2
ED04	Consolidate National Security Education Act Programs
ED05	Streamline and Improve the Department of Education's Grants Process

ED06	Provide Incentives for the Department of Education's Debt Collection Service
ED07	Simplify and Strengthen Institutional Eligibility and Certification for Participation in Federal Student Aid
ED08	Create a Single Point of Contact for Program and Grant Information
ED09	Improve Employee Development Opportunities in Department of Education
ED10	Eliminate the Grantback Statutory Provision of the General Education Provisions Act
ED11	Build a Professional, Mission-Driven Structure for Research
ED12	Develop a Strategy for Technical Assistance and Information Dissemination

AGENCY PROGRESS TO DATE

For the first time in the Department of Education's history, a comprehensive planning process has been implemented to improve departmentwide program and internal management. This process involved participation by all parts of the department and will affect how resources are allocated in future budgets. The plan includes detailed performance measures that will be used as the basis for measuring outcomes in priority areas.

The reauthorization of the Elementary and Secondary Education Act has passed both houses of Congress. This act would significantly increase the ability to serve needy children and communities, to eliminate or consolidate outdated or duplicate programs, and to streamline and improve the grant process.

The department has begun implementing a new direct student loan program that cuts out middlemen — the lenders and guaranty agencies — and saves taxpayers approximately $4.3 billion over the first five years and $1 billion each year thereafter. Additional pending legislation would eliminate the grantback provision of the General Education Provisions Act, which would lead to greater compliance by grant recipients and better use of federal funds.

In addition, the department has made significant progress in debt collection, bringing in about $500 million each year through increased cooperation with IRS.

In customer service, the department is implementing a "one-stop shopping" approach that collapses several cross-cutting information centers to provide customers with a single point of contact for easier interaction. It is also revising its own internal processes to facilitate the grantmaking process by simplifying and standardizing unnecessary procedures and issuing clear guidance to grant applicants.

Internal efforts are also under way to encourage employees to adopt individual development plans and to use performance measurement in implementing department policy. A Low Hanging Apples Team, formed to rapidly eliminate cumbersome, ineffective rules, has eliminated 64 rules in the past six months.

DEPARTMENT OF ENERGY

NPR RECOMMENDATIONS

DOE01	Improve Environmental Contract Management
DOE02	Incorporate Land Use Planning in Cleanup
DOE03	Make Field Facility Contracts Outcome-Oriented
DOE04	Increase Electrical Power Revenues and Study Rates
DOE05	Strengthen the Federal Energy Management Program

DOE06	Redirect Energy Laboratories to Post-Cold War Priorities
DOE07	Save Costs Through Private Power Cogeneration
DOE08	Support the Sale of the Alaska Power Administration

AGENCY PROGRESS TO DATE

In this post-Cold War era, the Department of Energy is working closely with the Office of Science and Technology Policy, the Department of Defense, and other federal offices to redirect the efforts of federal laboratories and to encourage sharing of lab assets with industry, universities, and other agencies. To address this and other changes in its operating environment, DOE has restructured its overall operations into five lines of business: environmental quality; science and technology; industrial competitiveness; national security; and energy resources.

Contract reforms put in place are resulting in greater competition, lower costs, and faster environmental cleanup. These include changes to cost-estimating and cost-reducing methods, along with the increased use of outcome-oriented contracting for field facilities. The department estimates at least $6.1 billion in savings will be realized by 1998 as a result of these changes. In addition, the reforms reflect a commitment to diversity. For example, there has been a $700 million increase in contracts to small, minority, and women-owned businesses.

In addition, the department reports that it will have saved $600 million by the end of calendar year 1994 as a result of quality-driven changes to its internal operations. By the end of 1995, it is expected that these savings will exceed $1 billion. Over 80 percent of the workforce has been trained in customer skills and awareness. The department continues to work with its customers to improve satisfaction and encourage feedback.

Pending legislation will reduce restrictions on private-public partnerships for new cogeneration power plants at government facilities, and authorize the sale of the Alaska Power Administration, which could result in significant savings. The department has reduced its classified documents by more than 70,000 since mid-1993 in its efforts to make information about past and current departmental activities more accessible to the public. This includes a 40 percent increase in closing pending Freedom of Information Act requests for information and responding to 23,000 calls on its help line about persons believed to have been exposed to radiation.

The department has established Bonneville Power Administration as a model "reinvention lab" and granted it 175 waivers from regulations. This has allowed Bonneville to streamline its business practices and enabled it to improve customer service, resulting in estimated savings of $6.6 million annually.

ENVIRONMENTAL PROTECTION AGENCY

NPR RECOMMENDATIONS

EPA01	Improve Environmental Protection Through Increased Flexibility for Local Government
EPA02	Streamline EPA's Permit Program
EPA03	Shift EPA's Emphasis Toward Pollution Prevention and Away from Pollution Control
EPA04	Promote the Use of Economic and Market-Based Approaches to Reduce Water Pollution

EPA05	Increase Private Sector Partnerships to Accelerate Development of Innovative Technologies
EPA06	Stop the Export of Banned Pesticides
EPA07	Establish Measurable Goals, Performance Standards, and Strategic Planning within EPA
EPA08	Reform EPA's Contract Management Process
EPA09	Establish a Blueprint for Environmental Justice Throughout EPA's Operations
EPA10	Promote Quality Science for Quality Decisions
EPA11	Reorganize EPA's Office of Enforcement

AGENCY PROGRESS TO DATE

The Environmental Protection Agency, after working with state and local governments and interest groups, developed and published a strategic plan with national environmental goals to guide both near- and long-term agency activities. As a result, EPA is shifting from an emphasis on pollution control to one encompassing pollution prevention, and it has established a Common Sense Initiative with six major U.S. industries to create more cost-effective pollution control and prevention strategies, such as allowing companies to trade pollution credits. Through its Environmental Leadership Initiative, EPA has created the environmental equivalent of the Malcolm Baldrige Quality Award.

In addition, the agency is taking steps to alleviate the burdens on local governments by increasing flexibility in the regulatory process and by streamlining its permit program. Legislation is pending to amend the Clean Water Act to provide incentives to states for water conservation and pollution prevention.

EPA is working with the Department of Agriculture and the Food and Drug Administration to develop a comprehensive administrative/legislative package to stop the export of pesticides that are banned within the United States. The agency is also working with industry, as part of its Environmental Technology Initiative, to establish five partnerships for the testing and evaluation of innovative technology.

EPA recently completed reorganization of its headquarters enforcement functions through a model participatory process including employees, customers, and stakeholders. Technical, program, policy, and legal professionals now work together on the same team from initial inspection to collection of the last penalty dollar.

In an effort to more effectively manage its many contractors, the agency has instituted performance measurement and has begun developing a long-term plan to reform EPA contract management. EPA has also made a commitment to accelerate streamlining of operations by halving the supervisor-to-staff ratio by September 1996.

The President has signed an executive order directing that the interests of minorities and low-income communities be considered in environmental decisionmaking. EPA has drafted its strategic plan to incorporate environmental justice considerations into all aspects of its activities.

EXECUTIVE OFFICE OF THE PRESIDENT

NPR RECOMMENDATIONS

EOP01	Delegate Routine Paperwork Review to the Agencies and Redeploy OMB's Resources More Effectively

EOP02	Modify the OMB Circular System
EOP03	Strengthen the Office of U.S. Trade Representative's Coordination with State and Local Governments
EOP04	Improve Federal Advisory Committee Management
EOP05	Reinvent OMB's Management Mission
EOP06	Improve OMB's Relationship with Other Agencies
EOP07	Strengthen the Office of the U.S. Trade Representative's Trade Policy Coordination Process
EOP08	Strengthen the Office of the U.S. Trade Representative's Negotiation Process
EOP09	Establish a Customer Service Bureau in the EOP
EOP10	Conduct Qualitative Self-Reviews of Critical Administrative Processes
EOP11	Improve the Presidential Transition Process
EOP12	Improve Administrative Processes

AGENCY PROGRESS TO DATE

The internal reorganization plan for the Office of Management and Budget, OMB 2000, was announced March 1, 1994. OMB 2000 is designed to better integrate the budget analysis, management review, and policy development functions in OMB to address cross-cutting and long-term governmental problems. The plan also requires OMB to evaluate and improve its relationship with agencies and develop a staff exchange program to improve agency understanding of regulatory process. OMB is also working with agencies to develop a "red-flag" system to identify and address high-risk situations quickly and successfully. In addition, OMB's Office of Information and Regulatory Affairs has greatly simplified the process by which agencies get approval to survey their customers.

The Executive Office of the President has established a customer service bureau within the Office of Administration. EOP has introduced automation and a new routing system to streamline and modernize internal mail processing. In addition, new automated supply management and financial management systems are in place.

To strengthen policy coordination, the Office of the U.S. Trade Representative has added the Environmental Protection Agency and the Department of Health and Human Services to the Trade Policy Review Group.

FEDERAL EMERGENCY MANAGEMENT AGENCY

NPR RECOMMENDATIONS

FEMA01	Shift Emphasis to Preparing for and Responding to the Consequences of All Disasters
FEMA02	Develop a More Anticipatory and Customer-Driven Response to Catastrophic Disasters
FEMA03	Create Results-Oriented Incentives to Reduce the Costs of a Disaster
FEMA04	Develop A Skilled Management Team Among Political Appointees and Career Staff

AGENCY PROGRESS TO DATE

In order to be more effective and speedy in its response to federal emergencies, the Federal Emergency Management Agency has eliminated two layers of its organization and cut supervisors by 34 percent. FEMA is now organized around functions, rather than types of disasters. Now everyone works when disaster strikes. As a result of its reorganization, FEMA is now able to respond more quickly to disasters. For example, 48 days after Hurricane Hugo in 1989, FEMA had registered 55,228 disaster victims and checked 8,418 housing units. Forty-five days after the 1994 Los Angeles earthquake, FEMA had registered 392,992 disaster victims and checked 124,848 housing units.

In addition, to encourage further innovation, the entire agency has been designated a "reinvention lab." To set standards and promote continuous service improvement, FEMA now conducts customer surveys of people affected by disasters.

FEMA has worked with other federal agencies to update the Federal Response Plan to ensure a coordinated, rapid response. To empower states to respond in a corresponding manner, FEMA is allowing them more flexibility and discretion in use of federally provided funds and is developing Model State Emergency Funding Legislation for adoption by state legislatures.

To reduce future disaster costs, FEMA is taking steps to increase the number of flood policies by 20 percent by October 1996. In addition, FEMA and the Administration are developing incentives to expand insurance coverage against all natural hazards and to increase mitigation. Currently, legislation is pending before Congress that supports both of these initiatives. In addition, FEMA is relocating homes and businesses out of flood plains.

GENERAL SERVICES ADMINISTRATION

NPR RECOMMENDATIONS

GSA01 Separate Policymaking From Service Delivery and Make the General Services Administration a Fully Competitive, Revenue-Based Organization

AGENCY PROGRESS TO DATE

GSA has committed itself to giving up its monopoly on government services by offering competitive, non-mandatory services in real property, supplies, and information technology and is using private sector practices as benchmarks to reengineer its real estate business. Pending legislative approval, GSA will shortly complete its separation of its regulatory and policymaking functions from its service delivery functions.

GSA is radically changing the way its does business. It has initiated partnerships with the vendor community, with customer agencies, with union representatives, and with its employees in order to cut unnecessary regulations, build trust, and resolve problems. It is testing innovative ways to purchase goods by piloting the use of an electronic bulletin board for purchases over $25,000 — a major step toward creating a fully electronic marketplace. And it has reduced auto leasing costs, thereby providing $13 million savings to agencies and another $10 million to taxpayers.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NPR RECOMMENDATIONS

HHS01	Promote Effective Integrated Service Delivery for Customers by Increasing Collaboration Efforts
HHS02	Reengineer the HHS Process for Issuing Regulations
HHS03	Develop a National, Uniform Inspection System to Ensure a Safe Food Supply
HHS04	Reconfigure Support for Health Professions Education
HHS05	Restructure the Management of Railroad Industry Benefit Programs
HHS06	Improve Social Security Administration Disability Claims Processing to Better Serve People with Disabilities and Safeguard Trust Fund Assets
HHS07	Protect Social Security, Disability, and Medicare Trust Fund Assets by Removing Barriers to Funding Productive Oversight Activities
HHS08	Coordinate Collection and Dissemination of Social Security Administration Death Information to Protect Federal Program Assets
HHS09	Take More Aggressive Action to Collect Outstanding Debts Owed to the Social Security Trust Fund
HHS10	Institute and Collect User Fees on FDA's Inspection and Approval Processes
HHS11	Redesign SSA Service Delivery and Make Better Use of Technology to Provide Improved Access and Services to Customers
HHS12	Strengthen Departmentwide Management
HHS13	Review the Field and Regional Office Structure of HHS and Develop a Plan for Shifting Resources to Match Workload Demands
HHS14	Amend the Health Care Financing Administration's Contracting Authority to Allow for Competitive Contracting

AGENCY PROGRESS TO DATE

The Department of Health and Human Services is developing a comprehensive customer service and service integration strategy. HHS is moving to improve customer service by setting standards for programs dealing directly with the public. HHS is simplifying state grants programs through initiatives like the Georgia Common Access Application, and it has begun a new waiver process that involves customers and partners early on and shortens the process time. The Indian Health Service Medical Centers in Alaska and Phoenix are improving customer services through their NPR reinvention laboratories.

HHS is also expediting the development and issuance of regulations. The goal is to cut the average time it takes to issue final regulations from three years down to one year. At the Health Care Financing Administration reinvention lab, HHS is testing negotiated rulemaking as a means to balance highly competitive interests.

The Social Security Administration, soon to be an independent agency, is taking a number of steps to reengineer its business. Legislation is currently pending that would amend the Social Security Act to provide for a federal clearinghouse for death information, which would limit fraud and erroneous federal payments. Other pending legislation could result in additional recovery of federal funds by giving SSA the legislative authority to use federal debt collection tools. SSA has circulated for public comment its proposed redesign of its disability programs to improve the level of quality and service to those with disabilities. At the same time, the department is taking steps to ensure that both the disability and Medicare trust fund assets are adequate and appropriately protected.

Legislation is pending that would increase the Food and Drug Administration's authority to collect user fees for its regulatory services, similar to other regulatory agencies. Also pending is the Administration's Health Security Act, containing a comprehensive national health workforce policy. This proposed legislation also contains a provision increasing the support of HHS for primary care physicians in its Medicare supported teaching facilities.

As of August 1994, no action had yet been taken to create a single food safety agency to consolidate responsibility for administering a uniform set of scientifically based food safety laws. NPR's recommendation to restructure the management of railroad industry benefits programs has been deferred indefinitely, and the Railroad Retirement Board has committed to acting on a series of mangement improvements.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

NPR RECOMMENDATIONS

HUD01	Reinvent Public Housing
HUD02	Improve Multi-Family Asset Management and Disposition
HUD03	Improve Single-Family Asset Management and Disposition
HUD04	Create an Assisted-Housing/Rent Subsidy Demonstration Project
HUD05	Establish a New Housing Production Program
HUD06	Streamline HUD Field Operations
HUD07	Refinance Section 235 Mortgages
HUD08	Reduce Section 8 Contract Rent Payments
HUD09	Consolidate Section 8 Certificates and Vouchers
HUD10	Reduce Operating Subsidies for Vacancies

AGENCY PROGRESS TO DATE

Legislation has been introduced to create pilot projects to devolve control of public housing to local authorities and allow the sale of public housing units. Meanwhile, HUD has embarked upon a reorganization of the department that involves all 13,000 employees and eliminates all its regional offices. The reorganization has empowered field employees to deliver more effective and efficient programs at the local level by reducing layers of review, authority, and approval.

HUD has improved its multi- and single-family asset management and disposition. Congress relaxed statutory restrictions on the sale of multi-family properties, and OMB approved a disposition policy, with a final rule to be published before the end of the year. HUD has also stimulated new multi-family housing production through a series of agreements with lenders, and legislation is pending to further this objective. In single-family housing, HUD recently sold 15,000 units.

Legislation has been introduced to allow for the refinancing of Section 235 mortgages, to reduce Section six contract rent payments, and to consolidate Section 8 certificates and vouchers. HUD is using the negotiated rulemaking process to develop a strategy for reducing operating subsidies for vacant housing units.

In separate initiatives, HUD has begun integrating the operations of federal homeless programs and is overseeing the designation of six empowerment zones and 65 enterprise communities. (See also "Strengthening the Partnership in Intergovernmental Service Delivery" in Appendix B.)

INTELLIGENCE COMMUNITY

NPR RECOMMENDATIONS

INTEL01	Enhance Intelligence Community Integration
INTEL02	Enhance Community Responsiveness to Customers
INTEL03	Reassess Information Collection to Meet New Analytical Challenges
INTEL04	Integrate Intelligence Community Information Management Systems
INTEL05	Develop Integrated Personnel and Training Systems
INTEL06	Merge the President's Intelligence Oversight Board with the President's Foreign Intelligence Advisory Board
INTEL07	Improve Support to Ground Troops During Combat Operations

AGENCY PROGRESS TO DATE

Like the Defense Department, the Intelligence Community has taken significant steps to reduce the size of its operations. The Central Intelligence Agency, for example, is using buyouts and other strategies to reduce its workforce more than 22 percent in the next five years. At the same time, offices throughout CIA are examining how to accomplish their missions in a more efficient manner. Streamlining efforts of one CIA component, for example, have resulted in savings of over 50,000 labor hours per year. The CIA anticipates that its quality initiatives in the data processing arena will save more than $15 million over a five-year period. Similar activities are happening elsewhere in the Intelligence Community. For instance, the National Security Agency saved nearly $1 million in investment — and is generating $2 million in annual revenue for the federal government — by reinventing a process for destroying classified computer chips and recovering precious metals.

To improve its effectiveness, the Intelligence Community has implemented a new National Intelligence Needs Process to better determine the needs of the customers of its intelligence information. To better serve its customers, it has created INTELINK, a major multimedia information service framework that will also provide for better integration of the various elements of the Intelligence Community. To streamline advice he receives, the President merged two intelligence advisory boards reporting to him.

In addition, the Intelligence Community has made gains in better coordinating security policy, programs, and budget through an executive committee. Its personnel staffs have created a coordinating committee to study ways to standardize personnel practices. For example, the Intelligence Community has published a unified testing plan that sets community-wide standards for foreign language proficiency. The community has also created a "reinvention lab" that works across intelligence agencies to improve support to ground troops during combat operations.

DEPARTMENT OF THE INTERIOR

NPR RECOMMENDATIONS

DOI01	Establish a Hard Rock Mine Reclamation Fund to Restore the Environment
DOI02	Redefine Federal Oversight of Coal Mine Regulation
DOI03	Establish a National Spatial Data Infrastructure

DOI04	Promote Entrepreneurial Management of the National Park Service
DOI05	Obtain a Fair Return for Federal Resources
DOI06	Rationalize Federal Land Ownership
DOI07	Improve the Land Acquisition Policies of the DOI
DOI08	Improve Minerals Management Service Royalty Collections
DOI09	Establish a System of Personnel Exchanges in DOI
DOI10	Consolidate Administrative and Programmatic Functions in DOI
DOI11	Streamline Management Support Systems in DOI
DOI12	Create a New Mission for the Bureau of Reclamation
DOI13	Improve the Federal Helium Program
DOI14	Enhance Environmental Management by Remediating Hazardous Material Sites

AGENCY PROGRESS TO DATE

Mining reform legislation is currently pending before Congress. The Department of the Interior is supporting this legislation and is taking other steps to prioritize cleanup of abandoned mines and downsize the Office of Surface Mining. In addition, both the Administration and Interior are drafting legislation that would push some decisionmaking on mine cleanup down to the state level.

Legislation is also pending that would increase funding for the National Park Service by authorizing additional user fees. In addition, concession contracts are being renegotiated from a lifetime contract to a 10-year contract in order to take advantage of the competitive marketplace and boost the federal government's return on its investment in the park system.

The Bureau of Reclamation has issued its "Blueprint for Reform," setting out a new mission. It has successfully reorganized a top-heavy headquarters staff and delegated most of its former authority to regional managers.

Interior as a whole is reducing its personnel staff 40 percent by 1996 and is increasing personnel staffing ratios to 1:100. Interior is also providing leadership for the governmentwide initiative, under the President's Management Council, for streamlining federal operations.

The department has implemented a model field structure in the Bureau of Land Management's Idaho Office, based on ecosystem management concepts, that is designed to address the competing interests involved in federal land management. In addition, the U.S. Geological Survey's map distribution system has been reinvented, cutting service time from three weeks to one day.

Interior is working with other federal agencies to improve environmental management of hazardous material sites. Task forces and work groups have been established to integrate managerial and scientific expertise and to draft plans to designate several hazardous material sites as pilot projects for cooperative, multi-bureau assessment and remediation.

DEPARTMENT OF JUSTICE

NPR RECOMMENDATIONS

DOJ01	Improve the Coordination and Structure of Federal Law Enforcement Agencies
DOJ02	Improve Border Management
DOJ03	Redirect and Better Coordinate Resources Dedicated to the Interdiction of Drugs

DOJ04	Improve Department of Justice Debt Collection Efforts
DOJ05	Improve the Bureau of Prisons Education, Job Training, and Financial Responsibilities Programs
DOJ06	Improve the Management of Federal Assets Targeted for Disposition
DOJ07	Reduce the Duplication of Drug Intelligence Systems and Improve Computer Security
DOJ08	Reinvent the Immigration and Naturalization Service's Organization and Management
DOJ09	Make the Department of Justice Operate More Effectively as the U.S. Government Law Firm
DOJ10	Improve White Collar Fraud Civil Enforcement
DOJ11	Reduce the Duplication of Law Enforcement Training Facilities
DOJ12	Streamline Background Investigations for Federal Employees
DOJ13	Adjust Civil Monetary Penalties to the Inflation Index
DOJ14	Improve Federal Courthouse Security
DOJ15	Improve the Professionalism of the U.S. Marshals Service
DOJ16	Develop Lower Cost Solutions to Federal Prison Space Problems

AGENCY PROGRESS TO DATE

Justice investigative agencies are transferring over 1,000 agents from headquarters and administrative positions to the field. Justice is also implementing an automated booking system to streamline the booking of prisoners, thereby allowing staff to devote more time to investigations.

To improve the coordination of law enforcement, reduce duplication, and better target investigative resources, Justice created the Office of Investigative Agency Policies, headed by the FBI Director. OIAP has created a common intelligence database for the FBI and DEA and has ordered Justice law enforcement agencies in each district to submit a common investigative and prosecutive strategy. OIAP is examining and eliminating duplication in the budget requests of Justice investigative agencies and has established procedures to coordinate performance standards, procurements, wireless communications, and office automation.

OIAP is providing a springboard for improving cooperation among all federal law enforcement agencies. Progress on this is demonstrated by improved coordination between Justice and Treasury in the Anti-Violent Crime Task Forces and the cross-designation of Customs agents to carry out drug smuggling investigations.

As part of a comprehensive five-year plan to improve border management, the Immigration and Naturalization Service and the U.S. Customs Service established joint performance standards to measure and track the effectiveness of cross-designated elements, coordinated shift scheduling to maximize staffing of primary inspection lanes and expedite the entry of travelers, and Port Quality Improvement Committees to initiate, monitor, and steer cooperative initiatives at the ports. To improve customer service, INS developed a prototype to reduce the number of automated immigration information messages on its telephone systems from 59 to 10; and unveiled prototypes that will speed fingerprint identification and automate the processing of illegal aliens.

Congress authorized Justice to retain a portion of debts it collects to improve its collection efforts. Debt collections through the first nine months of fiscal year 1994 are over $1 billion, substantially in excess of the amount collected for all of fiscal year 1993. In addition, Justice established a reinvention laboratory and customer service standards to improve its FOIA program. Justice also made progress towards establishing its first strategic plan, which will be completed by October 1, 1995, two years in advance of the deadline in the Government Performance and Results Act (GPRA). Several other Justice initiatives, including the indexing

of civil penalties and improving the professionalism of the U.S. Marshals Service, await further congressional action.

DEPARTMENT OF LABOR

NPR RECOMMENDATIONS

DOL01	Enhance Reemployment Programs for Occupationally Disabled Federal Employees
DOL02	Develop a Single Comprehensive Worker Adjustment Strategy
DOL03	Expand Negotiated Rulemaking and Improve Up-front Teamwork on Regulations
DOL04	Expand the Use of Alternative Dispute Resolution by the Department of Labor
DOL05	Automate the Processing of ERISA Annual Financial Reports (Forms 5500) to Cut Costs and Delays in Obtaining Employee Benefit Plan Data
DOL06	Amend the ERISA Requirement for Summary Plan Descriptions
DOL07	Redirect the Mine Safety and Health Administration's Role in Mine Equipment Regulation
DOL08	Create One-Stop Centers for Career Management
DOL09	Create a Boundary-Spanning Workforce Development Council
DOL10	Refocus the Responsibility for Ensuring Workplace Safety and Health
DOL11	Open the Civilian Conservation Centers to Private and Public Competition
DOL12	Partially Fund Mine Safety and Health Enforcement Through Service Fees
DOL13	Integrate Enforcement Activities within the Department of Labor
DOL14	Apply Information Technology to Expedite Wage Determinations for Federal Contracts
DOL15	Provide Research and Development Authority for the DOL's Mine Safety and Health Program
DOL16	Increase Assistance to States in Collecting Delinquent Unemployment Insurance Trust Fund Contributions
DOL17	Revise and Update the Consumer Price Index
DOL18	Improve the Delivery of Legal Services by the Office of the Solicitor in the Department of Labor
DOL19	Transfer the Veterans' Employment and Training Service to the Employment and Training Administration
DOL20	Reduce Federal Employees' Compensation Act Fraud
DOL21	Change the Focus of the Unemployment Insurance Benefits Quality Control Program to Improve Performance

AGENCY PROGRESS TO DATE

In a performance agreement with the President, the Secretary committed the department to specific goals in creating first jobs, new jobs, better jobs, and reinvention within the department. Action has been taken to reengineer operations in occupational safety and health, in the wage and hour division, and in personnel. In response to an NPR recommendation to integrate enforcement activities in the department, an enforcement council has been created to work across organizational boundaries to resolve common problems, cross-train some inspec-

tors, and serve as a communication network. In addition, Labor has initiated pilots on the use of negotiated rulemaking and alternative dispute resolution. It has also convened a federal-state work group to refocus the quality control program of the unemployment insurance program. Furthermore, Labor has reduced internal regulations by 73 percent.

Congress imposed tougher penalties for fraud in the federal employees disability compensation program. In addition, Congress is actively considering legislation to create a single, integrated worker adjustment assistance program and "one-stop shopping" career management centers for Labor's employment and training programs. Legislation to revise and update the consumer price index has also been introduced, as well as legislation to refocus the responsibility for ensuring workplace safety and health to employers by requiring self-inspections and new penalties.

Cuts in the President's budget request to reemploy disabled federal workers are pending in Congress. NPR had recommended an increase in order to create long-term savings of more than $100 million. Legislation has been introduced to eliminate the filing of ERISA's employee retirement summary plan descriptions, and the department is working with IRS to automate the processing of ERISA financial reports. Little has been done to open civilian conservation centers to private and public competition. Action to integrate the Veterans Employment and Training Service into Labor's other training programs has been deferred indefinitely.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

NPR RECOMMENDATIONS

NASA01	Improve NASA Contracting Practices
NASA02	Increase NASA Technology Transfer Efforts and Eliminate Barriers to Technology Development
NASA03	Increase NASA Coordination of Programs with the U.S. Civil Aviation Industry
NASA04	Strengthen and Restructure NASA Management
NASA05	Clarify the Objectives of the Mission to Planet Earth Program

AGENCY PROGRESS TO DATE

NASA has created a shared strategic vision and plan to guide its activities. It has modified its regulations to improve contracting practices, for example, by contracting for data — not for hardware. NASA also developed a working group to create a closer relationship with the U.S. civil aviation industry and other government partners. As part of this effort, it has conducted the first comprehensive review and inventory of federal and private sector aeronautics and space facility capabilities to support the United States' competitive position in the world market.

NASA has also completed the overhaul of the space station program management and repositioned staff. It has ensured that the customer-driven "Mission to Planet Earth" program's costs are contained and the program is consistent with high-priority environmental goals. In addition, NASA has implemented the initial version of the computer software for the Earth Observing System so information collected from outer space will be readily available to assist researchers, educators, and policymakers in understanding the earth's ecological environment.

Thanks to team spirit and innovation, the Goddard Space Flight Center has developed a Science and Engineering Workspace Procurement for 15,000 scientific work stations. It is estimated that this approach will save $49 million. Another $73.5 million will be saved through the consolidation of these contracts into one purchasing vehicle. The net result is an estimated $122.5 million savings and reduction of purchasing time from four to six months to four to six weeks.

NATIONAL SCIENCE FOUNDATION/OFFICE OF SCIENCE AND TECHNOLOGY POLICY

NPR RECOMMENDATIONS

NSF01	Strengthen Coordination of Science Policy
NSF02	Use a Federal Demonstration Project to Increase Research Productivity
NSF03	Continue Automation of NSF Research Support Functions

AGENCY PROGRESS TO DATE

The President strengthened the coordination of science policy by creating the National Science and Technology Council. In addition, OMB has drafted proposed rule changes to formalize the federal demonstration project. This project has historically been the avenue for identifying ways to increase research productivity and reduce costs to the federal government.

NSF is providing governmentwide leadership in the application of technology to the receipt and processing of proposals and the management of federal research and education awards. It has centralized geographically scattered activities into a "smart" facility to reduce operating costs and implemented a program of continuous improvement of its operations.

OFFICE OF PERSONNEL MANAGEMENT

NPR RECOMMENDATIONS

OPM01	Strengthen OPM's Leadership Role in Transforming Federal Human Resource Management Systems
OPM02	Redefine and Restructure OPM's Functional Responsibilities to Foster a Customer Orientation
OPM03	Change the Culture of OPM to Empower Its Staff and Increase Its Customer Orientation

AGENCY PROGRESS TO DATE

OPM has completed a mission, vision, and values statement that outlines its new leadership role in personnel and has acted administratively, where it can, to delegate operational work to the agencies. For example, it has eliminated the Federal Personnel

Manual one year ahead of schedule and abolished the Standard Form 171 "Application for Federal Employment." OPM, in consortium with the Department of Defense, has developed automated systems for every step of the employment process. This automation has created a paperless office, which illustrates for agencies the various functions they can automate or have OPM provide for them. It has also issued family-friendly regulations allowing employees to use up to five workdays of sick leave each year to care for family members, and it has taken steps to abolish minimum time-in-grade requirements before a promotion.

OPM, in conjunction with the Interagency Advisory Group of agency personnel directors, regularly sponsors satellite broadcasts to downlink sites around the country on topics related to human resource management issues and programs. The agency has also developed an electronic bulletin board, OPM Mainstreet, which serves all human resource managers throughout the government.

OPM has taken action to serve as a model agency in areas such as the creation of labor-management partnerships, the use of interagency groups of stakeholders to change the personnel process, and the creation of a priority reemployment program for employees who lose their jobs. The OPM Director has established an Employee Task Force on Agency Redesign to develop an organizational model that will reflect the agency's new mission, vision, and values.

SMALL BUSINESS ADMINISTRATION

NPR RECOMMENDATIONS

SBA01	Allow Judicial Review of the Regulatory Flexibility Act
SBA02	Improve Assistance to Minority Small Businesses
SBA03	Reinvent the U.S. Small Business Administration's Credit Programs
SBA04	Examine Federal Guidelines for Small Business Lending Requirements
SBA05	Manage the Microloan Program to Increase Loans for Small Business
SBA06	Establish User Fees for Small Business Development Center Services
SBA07	Distribute SBA Staff Based on Workload and Administrative Efficiency
SBA08	Improve Federal Data on Small Businesses

AGENCY PROGRESS TO DATE

Based on the performance agreement signed with the President, the Administrator integrated specific elements of this agreement into "cascaded" agreements with SBA's senior executives. As part of this agreement, SBA is introducing an entirely new approach to delivering services to minority-owned small businesses. As a result, for the first time in many years, there is no processing backlog for Section 8(a) applications.

SBA has also piloted a quick and easy one-page application for loans under $100,000 — nicknamed "LowDoc" — that allows lenders to use their own documentation, rather than SBA-specified paperwork. This pilot will be expanded nationwide shortly. SBA has also created new revolving lines of credit as well as loan pre-qualifications for targeted women-owned small businesses. It has also worked with other agencies to make borrowing less cumbersome and streamlined examination procedures to make it easier for banks to serve their customers.

To improve customer service with reduced staffing, SBA is shifting 79 headquarters employees (8 percent of headquarters staff) and 78 regional middle managers to front-line services. SBA also collaborated with Commerce, AID, and the Export-Import Bank to create consolidated export promotion and trade finance centers at four locations around the country; 11 more will open in 1995.

In addition, Congress is considering legislation to allow judicial review of the Regulatory Flexibility Act and to change SBA's "microloan" program from a direct loan program to a loan guarantee program in order to increase the number of loans to small businesses.

DEPARTMENT OF STATE/U.S. INFORMATION AGENCY

NPR RECOMMENDATIONS

DOS01	Expand the Authority of Chiefs of Mission Overseas
DOS02	Integrate the Foreign Affairs Resource Management Process
DOS03	Improve State Department Efforts to Promote U.S. Business Overseas
DOS04	Provide Leadership in the Department's Information Management
DOS05	Reduce Mission Operating Costs
DOS06	Consolidate U.S. Nonmilitary International Broadcasting
DOS07	Relocate the Mexico City Regional Administrative Management Center
DOS08	Improve the Collection of Receivables
DOS09	Change UN Administrative and Assessment Procedures

AGENCY PROGRESS TO DATE

State plans to pilot increases in the management authority of Chiefs of Mission, and it is studying alternative models of representation abroad as a way to reduce the operating costs of missions. It is also well on the way to relocating administrative management centers from foreign locations to a U.S. site. In addition, State has improved reporting and increased its attempts to collect money it is owed. The department is also incorporating measures of performance in departmentwide program planning processes.

State created an office, reporting directly to the Secretary, to coordinate the budgetary resources for foreign affairs (Function 150) and to present an integrated resource request.

To improve the promotion of U.S. business overseas, State has created an advocacy network. It has focused on improving internal communication on trade data, reducing foreign trade barriers, and increasing its advocacy role by creating strategic commercial plans in selected countries.

In April, Congress passed legislation introduced by the Administration providing the necessary authority to consolidate all nonmilitary international broadcasting under the United States Information Agency (USIA) (P.L. 103-236). USIA and the Board for International Broadcasting have worked together to begin combining program and engineering operations. A detailed plan to achieve consolidation by the end of FY 1995 is nearing completion.

DEPARTMENT OF TRANSPORTATION

NPR RECOMMENDATIONS

DOT01	Measure Transportation Safety
DOT02	Streamline the Enforcement Process
DOT03	Use a Consensus-Building Approach to Expedite Transportation and Environmental Decisionmaking
DOT04	Establish a Corporation to Provide Air Traffic Control Services
DOT05	Permit States to Use Federal Aid as a Capital Reserve
DOT06	Encourage Innovations in Automotive Safety
DOT07	Examine User Fees for International Over-Flights
DOT08	Increase FAA Fees for Inspection of Foreign Repair Facilities
DOT09	Contract for Level I Air Traffic Control Towers
DOT10	Establish Aeronautical Telecommunications Network to Develop a Public-Private Consortium
DOT11	Improve Intermodal Transportation Policy Coordination and Management
DOT12	Develop an Integrated National Transportation Research and Development Plan
DOT13	Create and Evaluate Telecommuting Programs
DOT14	Improve DOT Information Technology Management
DOT15	Provide Reemployment Rights for Merchant Mariners
DOT16	Establish a Commission to Review the U.S. Maritime Industry
DOT17	Eliminate Funding for Highway Demonstration Projects
DOT18	Reduce Spending for the U.S. Merchant Marine Academy
DOT19	Rescind Unobligated Earmarks for the FTA New Starts and Bus Program
DOT20	Reduce Annual Essential Air Service Subsidies
DOT21	Terminate Grant Funding for Federal Aviation Administration Higher Education Programs
DOT22	Assign Office of Motor Carriers (OMC) Field Staff to Improve Program Effectiveness and Reduce Costs
DOT23	Automate Administrative Requirements for Federal-Aid Highway Projects

AGENCY PROGRESS TO DATE

Transportation has put into motion a number of initiatives to leverage its resources. It completed a strategic plan that integrates transportation policy coordination and management and is reviewing operations to determine which operations it might devolve to state and local governments. Also, it has created an oversight group to integrate transportation research. This group reported its recommendations to the White House in April 1994. In addition, an interagency working group, led by Transportation, is developing common measures of safety and identifying actions that will offer systemwide safety improvements.

In addition, in May 1994, Transportation announced its proposal to create a United States Air Traffic Services Corporation and will submit legislation to Congress in the next few months, following appropriate congressional consultation. It has also begun to contract out the operation of 25 "Level 1" air traffic control towers. Legislation is pending that will allow the use of cooperative agreements to create an aeronautical telecommunication network.

Separately, FAA and the airlines estimate a savings in excess of $10 million a year as a result of their initiative for jointly managing the national air space system. In addition, as a result of

a quality action team review, the Coast Guard eliminated over 100 military personnel billets and saved approximately $3.5 million in its aircraft deployment operations.

Transportation has also made concerted efforts to move the theoretical research on global satellite navigation and "smart cars" to practical application. It has increased the use of information technology, such as electronic licensing, for merchant mariners, electronic commerce for procurement, and electronic signature authority for grants. In addition, Transportation has prepared notices to solicit innovations in automotive safety and to increase fees for the certification and oversight of foreign aircraft repair facilities.

Separately, Congress partially rescinded unobligated funds (about $3.3 million) for several mass transit programs, reduced annual subsidies for the "essential air service" program by about $7.8 million, lowering FY95 spending to $25.6 million, and rescinded over $5 million from air traffic controller and air science higher education programs. However, action has been deferred on the proposal to permit states to use federal aid as a capital reserve. No action is expected on the creation of a commission to review the U.S. maritime industry or the elimination of funding for highway demonstration projects. Further, Congress has voted to prohibit Transportation from charging tuition to students of the Merchant Marine Academy.

DEPARTMENT OF THE TREASURY

NPR RECOMMENDATION

TRE01	Improve the Coordination and Structure of Federal Law Enforcement Agencies
TRE02	Improve Border Management
TRE03	Redirect and Better Coordinate Resources Dedicated to the Interdiction of Drugs
TRE04	Foster Federal-State Cooperative Initiatives by the IRS
TRE05	Simplify Employer Wage Reporting
TRE06	Establish Federal Firearms License User Fees to Cover Costs
TRE07	Improve the Management of Federal Assets Targeted for Disposition
TRE08	Reduce the Duplication of Drug Intelligence Systems and Improve Computer Security
TRE09	Modernize the IRS
TRE10	Modernize the U.S. Customs Service
TRE11	Ensure the Efficient Merger of the Resolution Trust Corporation into the FDIC
TRE12	Reduce the Duplication of Law Enforcement Training Facilities
TRE13	Streamline Background Investigations for Federal Employees
TRE14	Adjust Civil Monetary Penalties to the Inflation Index
TRE15	Increase IRS Collections Through Better Compliance Efforts
TRE16	Improve Agency Compliance with Employment Tax Reporting Requirements (Form 1099)
TRE17	Authorize Federal Tax Payments by Credit Card
TRE18	Modernize the Financial Management Service
TRE19	Repeal Section 5010 of the Internal Revenue Code to Eliminate the Tax Credits for Wine and Flavors
TRE20	Amend or Repeal Section 5121 of the Internal Revenue Code Requiring Special Occupational Taxes on Retail Alcohol Dealers

AGENCY PROGRESS TO DATE

Treasury is working jointly with Justice to better coordinate law enforcement and border management functions (see Justice summary for details).

IRS is working with other federal agencies to develop steps to reduce employer wage and tax reporting requirements. It is also drafting legislation to permit it to enter into reimbursable cooperative agreements with state tax agencies, to allow either party to collect taxes for the other. Congress is also considering allowing taxes to be paid by credit card. In addition, IRS is restructuring its operations to implement its new strategic plan; as part of this, it is increasing its measures of performance as they affect taxpayers. This includes increasing voluntary compliance among general taxpayers and working with GSA on a pilot to increase agency compliance with employment tax reporting requirements.

Likewise, the Customs Service is making substantial organizational changes. Congress approved the Customs Service Modernization Act and allowed Customs to examine its organizational structure. Its reorganization study was completed in April 1994 and will be sent to Congress. This study brought together a team from across the country that included regional directors, front-line employees, and union representatives to reengineer Customs. The result is a planned headquarters reduction of one-third, elimination of all regional offices, and more front-line employees. Customs is also studying ways to better process imports. Customs is a leader among enforcement agencies in treating the public it serves as customers.

Treasury is also improving governmentwide financial management systems by consolidating its operations — it has closed one center and slated another for closing in three years — and is requiring all agencies to move to an electronic payments system. It is also working with other agencies to develop an electronic vendor payment process.

Treasury has raised initial firearms license fees for dealers from $30 to $200 per three-year period to better cover the costs of its inspection programs. Legislation is pending to raise that fee further. Treasury has also established a senior interagency training advisory committee; legislation is pending to coordinate the construction of new interagency training facilities to reduce duplication.

In late 1993, Congress passed legislation to permit the Resolution Trust Corporation to complete its thrift cleanup work. Oversight of the remaining program is being maintained by the Thrift Depositor Protection Oversight Board.

Legislation is pending to adjust civil monetary penalties to the inflation index. However, no action has been taken to repeal either the wine and flavors tax credit or Section 5121 of the tax code, which requires special occupational taxes on retail alcohol dealers.

DEPARTMENT OF VETERANS AFFAIRS

NPR RECOMMENDATIONS

DVA01	Develop the Master Veteran Record and Modernize the Department's Information Infrastructure
DVA02	Modernize Benefits Claims Processing
DVA03	Eliminate Legislative Budget Constraints to Promote Management Effectiveness
DVA04	Streamline Benefits Claims Processing
DVA05	Consolidate Department of Defense and Department of Veterans Affairs Compensation and Retired Pay Programs

DVA06	Enhance VA Cost Recovery Capabilities
DVA07	Establish a Working Capital Fund
DVA08	Decentralize Decisionmaking Authority to Promote Management Effectiveness
DVA09	Establish a Comprehensive Resource Allocation Program
DVA10	Serve Veterans and Their Families as Customers
DVA11	Phase Out and Close Supply Depots
DVA12	Improve Business Practices through Electronic Commerce
DVA13	Eliminate "Sunset" Dates in the Omnibus Budget Reconciliation Act of 1990
DVA14	Raise the Fees for Veterans Affairs' Guaranteed Home Loans
DVA15	Restructure the Veterans Affairs' Health Care System
DVA16	Recover Administrative Costs of Veterans' Insurance Program from Premiums and Dividends

AGENCY PROGRESS TO DATE

Actions are under way to improve services. VA has created a team to develop a master veteran's record and modernize VA's information infrastructure; the team will report in January 1995. VA is also reengineering services in "reinvention labs" to test self-directed work teams, case management, and patient-focused medical care. In addition, VA is acquiring the equipment and redesigning its systems for benefits claims processing, with completion targeted for the year 2000. A reengineered claims processing system is being piloted at several sites and successful components will be implemented across the VA beginning in mid-1995. Congress enacted the Veterans Appeals Improvement Act to streamline the appeals process and improve timeliness.

VA is also restructuring its internal operations. A departmentwide group has created a framework for decentralizing decisionmaking as a strategy for increasing management effectiveness; as part of this effort, VA has rescinded over 11,000 pages of directives, saving about $11.3 million a year. VA is closing its supply depots and using alternative, direct vendor delivery to its facilities beginning in early FY 1995. Projected savings are $168 million. Use of electronic commerce has been expanded, electronic benefits payments for veterans is being piloted, and a goal of 95 percent of employee salaries paid by direct deposit has been established.

VA and the Department of Defense have created a formal partnership to identify areas of cooperation that will result in mutual benefits, such as adjudication and benefit payment processes, joint health care facilities, and shared resources and services.

VA has initiated a number of efforts to improve service to veterans and their families. It has conducted a nationwide survey of veterans and is improving its response capacity to customers' concerns. In a similar vein, VA is installing patient bedside telephones in its 172 medical centers in conjunction with a nonprofit charity; 40 are completed and the remainder will be completed by the end of 1996. This partnership will save taxpayers $189 million.

To promote managerial effectiveness, Congress is considering the removal of legislative constraints, such as specifications on the number of beds in medical centers and limitations on VA's ability to reorganize internally. However, legislative action has been delayed on raising fees for guaranteed home loans, establishing gainsharing in medical care cost recovery, and creating a debt collection fund for recovering administrative costs of VA insurance programs.

SMALL AGENCIES

In addition to the large agencies for which NPR prepared separate recommendations, there are about 100 other smaller agencies. Many of these agencies have developed their own reinvention initiatives that make government work better and cost less. Following is a small sample of some of these initiatives.

PROGRESS TO DATE

The **Federal Communications Commission** has restructured itself and is establishing its new cable division — entirely along the lines of the principles articulated in NPR's report last year. Furthermore, the FCC has started to auction radio airwaves, with the first auction bringing in hundreds of millions of dollars.

The **Pension Benefit Guaranty Corporation** has initiated a customer service program to identify people who did not even know they were customers. PBGC finds potential beneficiaries of defunct pension funds who have not known they were due to receive payments.

To streamline procurement and reduce the taxpayers' cost for doing business, the **Nuclear Regulatory Commission** established a reinvention laboratory that contains all procurement functions. NRC has simplified contracting and has given employees a government procurement card that allows them to buy competitive products off the shelf.

Like many of the small and independent agencies, the **National Archives and Records Administration** has developed customer service standards that provide users realistic expectations and promise service to match the best practices of any research institution.

APPENDIX B: STATUS OF MAJOR RECOMMENDATIONS AFFECTING GOVERNMENTAL SYSTEMS

NPR's September 7, 1993, report contained 130 major recommendations affecting governmentwide management systems, such as budget, procurement, financial management, and personnel. These recommendations are discussed in more detail in separate accompanying reports, which break these recommendations into 403 specific action items. Of these action items, agencies report that 11 percent are complete and another 77 percent are in progress. Following are highlights of governmentwide system reinvention efforts.

CREATING QUALITY LEADERSHIP AND MANAGEMENT

NPR RECOMMENDATIONS

QUAL01	Provide Improved Leadership and Management of the Executive Branch
QUAL02	Improve Government Performance Through Strategic and Quality Management
QUAL03	Strengthen the Corps of Senior Leaders
QUAL04	Improve Legislative-Executive Branch Relationships

PROGRESS TO DATE

At the President's direction, all agencies have designated chief operating officers whose primary responsibility is to manage the operations of the agencies. In addition, the President created the President's Management Council, comprising the chief operating officers of the major agencies and one representative of the small agencies, to provide leadership in governmentwide management initiatives. For example, this council provided leadership in getting the buyout legislation passed and is leading the development of agency streamlining plans, the crafting of legislation on civil service reform, and the education of employees on quality management principles. The Office of Personnel Management is providing

orientation training for political appointees. In addition, it has expanded its training on quality management and performance measures with a focus on implementing the Government Performance and Results Act (GPRA).

STREAMLINING MANAGEMENT CONTROL

NPR RECOMMENDATIONS

SMC01	Implement a Systems Design Approach to Management Controls
SMC02	Streamline the Internal Controls Program to Make It an Efficient and Effective Management Tool
SMC03	Change the Focus of the Inspectors General
SMC04	Increase the Effectiveness of Offices of General Counsel
SMC05	Improve the Effectiveness of the General Accounting Office Through Increased Customer Feedback
SMC06	Reduce the Burden of Congressionally Mandated Reports
SMC07	Reduce Internal Regulations by More Than 50 Percent
SMC08	Expand the Use of Waivers to Encourage Innovation

PROGRESS TO DATE

OMB is drafting revised internal control guidelines and will circulate them for comment this fall. Agency inspectors general adopted a vision statement defining a reinvented role and describing how they will be less adversarial and more collaborative in implementing positive changes. Legislation is pending before the Senate to eliminate nearly 300 congressionally mandated reports; other pending legislation would consolidate about another 200 reports.

The President issued an executive order in September 1993 requiring agencies to cut internal regulations in half. Several agencies have reported making significant progress; for example, the Department of Veterans Affairs eliminated about 11,000 pages of internal directives, and the General Services Administration has targeted 106 of 164 directives in its management services and human resources branch for elimination.

Several Offices of General Counsel are making progress in increasing their responsiveness to agency program offices. For example, USIA reports that its program offices are allowed to select attorneys from within their OGC to support them in providing needed legal advice and services. One-third of the major agencies have put in place a waiver process for their regulations, and most of the others are developing such a process.

To date, the President's Management Council has not begun to develop a systems design approach to create new accountability and management controls for federal agencies.

TRANSFORMING ORGANIZATIONAL STRUCTURES

NPR RECOMMENDATIONS

ORG01	Reduce the Costs and Numbers of Positions Associated With Management Control Structures by Half

ORG02	Use Multi-Year Performance Agreements Between the President and Agency Heads to Guide Downsizing Strategies
ORG03	Establish a List of Specific Field Offices to be Closed
ORG04	The President Should Request Authority to Reorganize Agencies
ORG05	Sponsor Three or More Cross-Departmental Initiatives Addressing Common Issues or Customers
ORG06	Identify and Change Legislative Barriers to Cross-Organizational Cooperation

PROGRESS TO DATE

Congress has statutorily required agencies to cut 272,900 positions by 1999. Agencies are developing plans on how they will target these reductions to positions associated with unnecessary management control, and the President's Management Council is leading an effort to identify field offices to be closed. The fiscal year 1995 budget identifies three cross-departmental initiatives addressing common problems: ecosystem management, homelessness, and job training programs.

There are areas, however, where progress has slowed. For example, Congress — after requiring agencies to cut staff — has legislation pending to exempt from any cuts nearly 250,000 positions in 15 agencies; this would require other agencies to bear the burden of greater cuts.

Also, the President proposed reducing legislative barriers to cross-organizational cooperation, but there has been no legislative action on this proposal to date. Separately, the request to Congress for Presidential authority to reorganize agencies has been postponed.

IMPROVING CUSTOMER SERVICE

NPR RECOMMENDATIONS

ICS01	Create Customer-Driven Programs in All Departments and Agencies That Provide Services Directly to the Public
ICS02	Customer Service Performance Standards — Internal Revenue Service
ICS03	Customer Service Performance Standards — Social Security Administration
ICS04	Customer Service Performance Standards — Postal Service
ICS05	Streamline Ways to Collect Customer Satisfaction and Other Information from the Public

PROGRESS TO DATE

The President issued an executive order requiring agencies to develop standards for quality services to the public. More than 100 agencies have developed customer service plans and set service standards; these are being published in September 1994. Last September the IRS, the Social Security Administration, and the Postal Service published initial service standards. These standards put a focus on key service areas and let the public judge agency performance in those areas. Agencies have shifted resources and made management changes to improve service delivery where they do not measure up to the standards. In addition, OMB has made it easier for agencies to conduct voluntary surveys of customers. OMB streamlined its review

procedures under the Paperwork Reduction Act, so these customer survey clearances can now be obtained by agencies in two weeks or less.

MISSION-DRIVEN, RESULTS-ORIENTED BUDGETING

NPR RECOMMENDATIONS

BGT01	Develop Performance Agreements With Senior Political Leadership That Reflect Organizational and Policy Goals
BGT02	Effectively Implement the Government Performance and Results Act of 1993
BGT03	Empower Managers to Perform
BGT04	Eliminate Employment Ceilings and Floors by Managing Within Budget
BGT05	Provide Line Managers With Greater Flexibility to Achieve Results
BGT06	Streamline Budget Development
BGT07	Institute Biennial Budgets and Appropriations
BGT08	Seek Enactment of Expedited Rescission Procedures

PROGRESS TO DATE

Progress has been made on strengthening accountability for achieving results. Seven of 24 major agency heads have piloted the signing of performance agreements with the President that reflect agreed-upon organizational priorities. Many of these agency heads have "cascaded" these agreements to senior executives within their agencies to forge a team committed to common goals. In addition, agencies have established about 70 pilot projects to develop measures of program performance under the Government Performance and Results Act. OMB's budget guidance has been revised to place a greater emphasis on the use of performance information in the budget decisionmaking process.

Progress has also been made at a slower pace on empowering managers to perform. About one-third of the agencies report that they have restructured their budget accounts to reduce over-itemization and have identified direct operating costs. Progress on managing within operating costs rather than using employee head counts to manage has been postponed, and, in most cases, Congress has not provided agencies with the flexibility to carry over 50 percent of unspent operating funds to the next year as an incentive not to waste funds through year-end spending.

OMB has made progress in streamlining the budget development process by discussing key Administration priorities with agencies before White House decisions were made and creating a more transparent budget development process where agencies could present their views. Agencies are receiving early guidance on their allocations and are addressing cross-agency issues earlier in the process. In addition, legislation is pending before Congress to create a biennial budget process and to expedite rescissions of funding.

IMPROVING FINANCIAL MANAGEMENT

NPR RECOMMENDATIONS

FM01	Accelerate the Issuance of Federal Accounting Standards
FM02	Clarify and Strengthen the Financial Management Roles of OMB and Treasury
FM03	Fully Integrate Budget, Financial, and Program Information
FM04	Increase the Use of Technology to Streamline Financial Services
FM05	Use the Chief Financial Officers (CFO) Act to Improve Financial Services
FM06	"Franchise" Internal Services
FM07	Create Innovation Funds
FM08	Reduce Financial Regulations and Requirements
FM09	Simplify the Financial Reporting Process
FM10	Provide and Annual Financial Report to the Public
FM11	Strengthen Debt Collection Programs
FM12	Manage Fixed Asset Investments for the Long Term
FM13	Charge Agencies for the Full Cost of Employee Benefits

PROGRESS TO DATE

The Chief Financial Officers' Council is committed to building a strong financial management infrastructure. It has developed a vision statement and is developing a strategic plan for improving financial management and integrating budget, financial, and program information. In addition, the Financial Accounting Standards Advisory Board has been issuing accounting standards and has committed to issuing a complete set of financial accounting standards for the federal government by March 1995. Also, in June 1994, the Secretary of Commerce approved a digital signature standard, which is critical to progress toward the greater use of electronic data interchange and fund transfers.

Progress is also being made on adopting good business practices. Legislation pending before Congress would simplify financial reporting requirements, create pilot franchise funds, and provide for an audited annual financial report to the public. In addition, many agencies are pursuing opportunities to market their internal services (franchising), such as payroll processing and procurement, to other agencies. Also, five agencies are operational or are piloting automated time and attendance tracking systems, while about half of all agencies are beginning efforts to streamline their timekeeping systems and process.

REINVENTING HUMAN RESOURCE MANAGEMENT

NPR RECOMMENDATIONS

HRM01	Create a Flexible and Responsive Hiring System
HRM02	Reform the General Schedule Classification and Basic Pay System
HRM03	Authorize Agencies to Develop Programs for Improvement of Individual and Organizational Performance

HRM04	Authorize Agencies to Develop Incentive Award and Bonus Systems to Improve Individual and Organizational Performance
HRM05	Strengthen Systems to Support Management in Dealing With Poor Performers
HRM06	Clearly Define the Objective of Training as the Improvement of Individual and Organizational Performance; Make Training More Market-Driven
HRM07	Enhance Programs to Provide Family-Friendly Workplaces
HRM08	Improve Processes and Procedures Established to Provide Workplace Due Process for Employees
HRM09	Improve Accountability for Equal Employment Opportunity Goals and Accomplishments
HRM10	Improve Interagency Collaboration and Cross-Training of Human Resource Professionals
HRM11	Strengthen the Senior Executive Service So That It Becomes a Key Element in the Governmentwide Culture Change Effort
HRM12	Eliminate Excessive Red Tape and Automate Functions and Information
HRM13	Form Labor-Management Partnerships for Success
HRM14	Provide Incentives to Encourage Voluntary Separations

PROGRESS TO DATE

Congress passed legislation to allow agencies to offer separation incentives to minimize the need for reductions in force (layoffs) as government employment is reduced. So far in fiscal year 1994, 63,197 employees (14,760 in non-defense agencies as of August 4, 1994) have accepted incentives of up to $25,000 to leave the work force voluntarily. Another round of incentives will be offered in early fiscal year 1995. New laws also allow telecommuting in pilot agencies, reauthorize voluntary leave banks, and deregulate training to make it more responsive to market forces.

In October 1993, the President established a National Partnership Council and has directed agencies to develop labor-management partnerships. To date, 32 partnership agreements have been signed. Now that headquarters have paved the way, agreements and councils are rapidly springing up in components and field installations. The President also directed agencies to create family-friendly workplaces while continuing to ensure accountability for customer service. Pursuant to the President's direction, the Office of Personnel Management, in concert with the General Services Administration, has begun reviewing and revising regulations that act as barriers to family-friendly work arrangements. In the coming year, the President will take action to improve accountability for equal employment opportunity accomplishments and reduce overlapping EEO reporting among agencies.

The Office of Personnel Management phased out the Federal Personnel Manual a year ahead of schedule, abolished the SF-171 "Application for Federal Employment," and has taken steps to abolish the time-in-grade requirement for promotion. It has also created an interagency forum to strengthen the Senior Executive Service as an element in changing the culture of the government. OPM has developed automated systems for functions performed by human resource managers and automated all information about federal job openings for ease of use by applicants and employees who process those applications.

The Administration is preparing a human resources management (HRM) reform legislative proposal largely drawn from the recommendations in NPR and National Partnership Council (NPC) reports and from comments by the various stakeholders regarding the NPC report. The legislation will directly contribute to reinventing government by making changes in HRM law that give agencies the authority they need to achieve improvements in their HRM systems.

REINVENTING FEDERAL PROCUREMENT

NPR RECOMMENDATIONS

PROC01	Reframe Acquisition Policy
PROC02	Build an Innovative Procurement Workforce
PROC03	Encourage More Procurement Innovation
PROC04	Establish New Simplified Acquisition Threshold and Procedures
PROC05	Reform Labor Laws and Transform the Labor Department into an Efficient Partner for Meeting Public Policy Goals
PROC06	Amend Protest Rules
PROC07	Enhance Programs for Small Business and Small Disadvantaged Business Concerns
PROC08	Reform Information Technology Procurement
PROC09	Lower Costs and Reduce Bureaucracy in Small Purchases Through the Use of Purchase Cards
PROC10	Ensure Customer Focus in Procurement
PROC11	Improve Procurement Ethics Laws
PROC12	Allow for Expanded Choice and Cooperation in the Use of Supply Schedules
PROC13	Foster Reliance on the Commercial Marketplace
PROC14	Expand Electronic Commerce for Federal Acquisition
PROC15	Encourage Best Value Procurement
PROC16	Promote Excellence in Vendor Performance
PROC17	Authorize a Two-Phase Competitive Source Selection Process
PROC18	Authorize Multiyear Contracts
PROC19	Conform Certain Statutory Requirements for Civilian Agencies to Those of Defense Agencies
PROC20	Streamline Buying for the Environment

PROGRESS TO DATE

Both houses of Congress have passed legislation containing the most important of NPR's recommended statutory changes to reinvent the federal government's $180 billion-a-year procurement system. This legislation is projected to save about $12.2 billion over five years by raising the threshold for simplified acquisition, increasing the federal government's reliance on commercially available products, and freeing purchases under $2,500 from most restrictions.

Administratively, a number of initiatives are under way to reduce bureaucracy, foster commercial practices, and center authority and accountability with line managers. The President has charged agencies with creating a governmentwide effort to use electronic commerce to procure goods and services. In addition, a number of agencies report that they are reframing their acquisition policies by cutting internal regulations. A number of other agencies, led by Treasury, have pledged to double their use of procurement cards (thereby cutting administrative costs) and they beat their target — saving an estimated $50 million. Twenty-one agencies are piloting the use of past vendor performance as a criterion in selecting future vendors with whom to do business. Other agencies, such as the Defense Department and the General Services Administration, no longer require the use of custom specifications when ordering supplies if the items are available commercially.

REINVENTING SUPPORT SERVICES

NPR RECOMMENDATIONS

SUP01	Authorize the Executive Branch to Establish a Printing Policy That Will Eliminate the Current Printing Monopoly
SUP02	Assure Public Access to Federal Information
SUP03	Improve Distribution Systems to Reduce Costly Inventories
SUP04	Streamline and Improve Contracting Strategies for the Multiple Award Schedule Program
SUP05	Expand Agency Authority and Eliminate Congressional Control Over Federal Vehicle Fleet Management
SUP06	Give Agencies Authority and Incentive for Personal Property Management and Disposal
SUP07	Simplify Travel and Increase Competition
SUP08	Give Customers Choices and Create Real Property Enterprises That Promote Sound Real Property Asset Management
SUP09	Simplify Procedures for Acquiring Small Blocks of Space to House Federal Agencies
SUP10	Establish New Contracting Procedures for the Continued Occupancy of Leased Office Space
SUP11	Reduce Postage Costs Through Improved Mail Management

PROGRESS TO DATE

Some progress is being made to reform government printing. While Congress has not acted to eliminate the printing monopoly of the Government Printing Office, the President has narrowed GPO's role by instructing agencies that the exclusive authority of GPO related to the production of government documents is restricted to documents intended for distribution to and use by the general public. Separately, an interagency effort is underway to create a Government Information Locator System to ease public access to federal information.

The General Services Administration is making significant progress in streamlining the distribution system of federal supplies in order to reduce costly inventories. For example, it is piloting a direct order system from suppliers. GSA has also proposed regulatory changes to eliminate the mandatory use of its supply schedules by agencies. As part of its effort to pilot new purchase strategies under the Multiple Award Schedule, GSA has negotiated reduced costs and increased delivery speed for contracts that have been awarded. In addition, GSA has increased choices for federal travelers and is in the process of streamlining travel regulations. GSA is also in the process of creating an interagency mail management committee to reduce postage costs.

GSA has also begun efforts to reduce its monopoly on government real estate services by piloting initiatives giving its customers choices. It has created a governmentwide policy for real property asset management, is creating competitive enterprises to provide services on a fee basis with benchmarks for performance, and has created centers of expertise for real property services. It suspended the acquisition of new office space and, by reevaluating its needs, will save $1.2 billion. In the coming year it will pursue a legislative initiative to commercialize the Federal Building Fund.

REENGINEERING THROUGH INFORMATION TECHNOLOGY

NPR RECOMMENDATIONS

IT01	Provide Clear, Strong Leadership to Integrate Information Technology Into the Business of Government
IT02	Implement Nationwide, Integrated Electronic Benefit Transfer
IT03	Develop Integrated Electronic Access to Government Information and Services
IT04	Establish a National Law Enforcement/Public Safety Network
IT05	Provide Intergovernmental Tax Filing, Reporting, and Payments Processing
IT06	Establish an International Trade Data System
IT07	Create a National Environmental Data Index
IT08	Plan, Demonstrate, and Provide Governmentwide Electronic Mail
IT09	Improve Government's Information Infrastructure
IT10	Develop Systems and Mechanisms to Ensure Privacy and Security
IT11	Improve Methods of Information Technology Acquisition
IT12	Provide Incentives for Innovation
IT13	Provide Training and Technical Assistance in Information Technology to Federal Employees

PROGRESS TO DATE

The Vice President chartered a Government Information Technology Services (GITS) working group to lead the implementation of recommendations in this report. The working group created a governmentwide strategic vision statement on the use of information technology to deliver services to the public on its terms. The working group is supporting interagency teams to carry out each of NPR's information technology recommendations. One interagency team has released a plan to distribute an estimated $111 billion in federal benefits electronically on a nationwide basis within three years. Another team has developed electronic commerce standards which, when implemented in the next few years, will reduce the cost of purchases by about 10 percent and reduce delivery times by one-third.

Work groups, plans, and completion dates have also been put in place to implement various other aspects of creating an electronic government, such as eliminating the need to file routine tax returns, creating a national law enforcement/public safety network, and establishing one-stop government services kiosks.

The working group has also moved to improve the government's overall information infrastructure. For example, it has created a committee to consolidate federal data centers and is overseeing efforts to reengineer basic systems to improve service delivery. It has also drafted principles to establish privacy protection standards and information security principles. In addition, the Secretary of Commerce has signed a digital signature standard and developed a national crisis response clearinghouse for computer security. The working group is also developing a strategy to improve training of federal employees in the use of information technology.

To streamline the buying of computer equipment, GSA has drafted rules to delegate purchasing authority to agencies, several agencies have been granted waivers to pilot the purchase of small items, and OMB is piloting performance-based service contracts.

In addition, GITS supports OMB's efforts to promote the improvement of agency performance through the use of information technology in many ways. For example, GITS

supports OMB by providing input to the drafting of information resource management policy and implementation directives.

RETHINKING PROGRAM DESIGN

NPR RECOMMENDATIONS

DES01	Activate Program Design as a Formal Discipline
DES02	Establish Pilot Program Design Capabilities in One or Two Agencies
DES03	Encourage the Strengthening of Program Design in the Legislative Branch
DES04	Commission Program Design Courses

PROGRESS TO DATE

No progress has been made in implementing these recommendations.

STRENGTHENING THE PARTNERSHIP IN INTERGOVERNMENTAL SERVICE DELIVERY

NPR RECOMMENDATIONS

FSL01	Improve the Delivery of Federal Domestic Grant Programs
FSL02	Reduce Red Tape Through Regulatory and Mandate Relief
FSL03	Simplify Reimbursement Procedures for Administrative Costs of Federal Grant Disbursement
FSL04	Eliminate Needless Paperwork by Simplifying the Compliance Certification Process
FSL05	Simplify Administration by Modifying the Common Grant Rules on Small Purchases
FSL06	Strengthen the Intergovernmental Partnership

PROGRESS TO DATE

A number of initiatives are under way to improve the delivery of federal domestic grant programs. The President created the Community Empowerment Board to oversee more than 100 initiatives in community empowerment. In addition, he endorsed consolidated plans submitted by Indiana and West Virginia for the coordination of 199 different federal grants affecting children and families. Federal, state, and local agencies have collaborated to integrate application forms on a pilot basis in Atlanta, thereby reducing six separate applications for federal assistance programs totalling 64 pages to a single eight-page form. In the coming year, federal agencies will work with states, such as Oregon, to streamline federal aid, strengthen intergovernmental partnerships, and focus on achieving results for American citizens.

Separately, Congress has created a demonstration program allowing six states to waive federal requirements in education programs — without first having to ask federal permission —

to integrate federal funding sources and better achieve national education goals. Also, pending before Congress is an elementary and secondary education bill that would consolidate obsolete programs and allow states and local school districts to submit a single plan instead of separate plans for each federal grant.

The President signed two executive orders to address unfunded federal mandates; Congress is also considering legislation to achieve the same objectives. OMB is considering ways to eliminate needless grant paperwork and to simplify the reimbursement process for administrative costs, thereby saving money for both grantees and the federal government. The President has acted to strengthen the intergovernmental partnership by appointing 11 new members and a new chair to an intergovernmental advisory committee and meeting regularly with governors and mayors.

REINVENTING ENVIRONMENTAL MANAGEMENT

NPR RECOMMENDATIONS

ENV01	Improve Federal Decisionmaking Through Environmental Cost Accounting
ENV02	Develop Cross-Agency Ecosystem Planning and Management
ENV03	Increase Energy and Water Efficiency
ENV04	Increase Environmentally and Economically Beneficial Landscaping

PROGRESS TO DATE

A set of cross-agency ecosystem management teams have been formed to conduct management and budget reviews of federal programs affecting four ecosystems. In addition, the President signed directives requiring federal agencies to increase energy and water efficiency and to use environmentally beneficial landscaping for federal lands and projects. Action on developing demonstration projects to assess the feasibility of environmental cost accounting will be taken in the coming year.

IMPROVING REGULATORY SYSTEMS

NPR RECOMMENDATIONS

REG01	Create an Interagency Regulatory Coordinating Group
REG02	Encourage More Innovative Approaches to Regulation
REG03	Encourage Consensus-Based Rulemaking
REG04	Enhance Public Awareness and Participation
REG05	Streamline Agency Rulemaking Procedures
REG06	Encourage Alternative Dispute Resolution When Enforcing Regulations
REG07	Rank Risks and Engage in "Anticipatory" Regulatory Planning
REG08	Improve Regulatory Science
REG09	Improve Agency and Congressional Relationships
REG10	Provide Better Training and Incentives for Regulators

PROGRESS TO DATE

The President signed Executive Order 12866, *Regulatory Planning and Review*, in September 1993. This order articulates this Administration's regulatory principles and created an interagency regulatory working group that has implemented most of NPR's regulatory recommendations. The group, for example, serves as a forum to help agencies implement various provisions of the order, including those that encourage innovative approaches to rulemaking. These approaches include regulatory negotiation, incentives-based rulemaking, enhanced public participation, and streamlined regulatory processes.

Subgroups are working on risk assessment, cost-benefit analysis, streamlining, and the use of information technology in rulemaking. Conferences are being held with state, local, and tribal governments to help improve relationships between them and the federal government. Likewise, meetings are being held with small business representatives to sensitize regulators to the needs of small businesses. In addition, OMB has started a regulatory training and exchange program to help train agency regulators to implement the provisions of the executive order.

The President has directed agencies to experiment with negotiated rulemaking, and nearly three-quarters of the departments and major agencies have begun to do so. Further, about half the agencies say they are piloting the use of alternative dispute resolution techniques as a way of resolving regulatory disputes. And about half the agencies report having drafting services in place to assist congressional staff in technical bill drafting. However, no action has been taken to create additional science advisory boards.

APPENDIX C: SUMMARY OF SAVINGS TO DATE

INTRODUCTION

NPR's September 7, 1993, report estimated approximately $108 billion in savings over a five-year period, FY 1995 through FY 1999, if the recommendations it contained were implemented. As of September 1, 1994, about $47 billion of these projected savings had been enacted by Congress. Another $16 billion in estimated savings were pending in congressional conference committees awaiting final approval.

This appendix compares NPR's original savings estimates to the savings that have accrued to date as a result of changes made and those that will occur in future years if these changes remain in place. It also identifies those savings that may occur in the near future because of legislative actions well under way.

1. STREAMLINING THE BUREAUCRACY THROUGH REENGINEERING

The President and Congress required in statute that the executive branch reduce civilian personnel by 272,900 by the end of FY 1999. By September 30, 1994, federal agencies are projected to reduce their staffing by about 71,000. As a result, FY 1994 savings are projected to total $2.9 billion, and savings over the period of the entire initiative are estimated to total $45.9 billion by FY 1999.

In its estimates prepared as part of the congressional consideration of pending legislation, the Congressional Budget Office projected a lower savings figure. It projects savings of $34.3 billion for the same period. However, it uses a different baseline for the total number of federal employees than does the Administration, and it assumes only 221,300 personnel will be cut.

The Administration's 1993 baseline was published in the President's FY 1995 budget and totals 2,155,200 full-time equivalent employees. The Administration used this baseline to calculate the change in the total number of federal employees since January 20, 1993. CBO used as its base an adjusted July 1993 estimate of federal employment levels, totaling 2,103,600. Also, the Administration estimates the FY 1995 per-employee savings as $42,197, and CBO, using a different calculation method, estimates the FY 1995 per-employee savings as $40,706.

2. REINVENTING FEDERAL PROCUREMENT

Both houses of Congress have passed procurement bills that incorporate many of NPR's recommendations. The Congressional Budget Office has not estimated savings resulting from this pending legislation. The NPR savings estimates are lower than those projected in NPR's September 7, 1993, report. In that report, NPR estimated savings based on $200 billion in procurement spending each year over the next five years. However, federal procurement spending is shrinking faster than was then anticipated. For example, actual procurement spending in FY 1993 was $180 billion. As a result, savings from administrative efficiencies will be lower, in part because overall buying is lower. While most of the savings will accrue after pending legislation is enacted, some savings have already occurred as a result of administrative actions; however, these savings are not yet large enough to include in the estimates provided in the table.

3. REENGINEERING THOUGH INFORMATION TECHNOLOGY

These savings include those from electronic benefits transfers. Estimates were developed by the Federal Electronic Benefits Transfer Task Force. Savings may increase as other initiatives are undertaken. Currently, estimates of their savings effect are not available.

4. INTERGOVERNMENTAL ADMINISTRATIVE COSTS

To date, the implementation of the recommendations that would result in these savings has not been undertaken.

5. CHANGES TO INDIVIDUAL AGENCIES

Savings based on actions to date include the elimination of the wool and mohair programs and rescissions to a number of transportation grants. The remaining anticipated savings are largely included in pending appropriation bills. A better estimate of their five-year savings impact should be available after passage and the publication of the President's FY 1996 budget. The $3.7 billion in estimated savings pending in legislation is based on the President's Mid-Session Review of the FY 1995 budget.

Not included are savings individual agencies have achieved as a result of their own reinvention activities. (See Appendix A for agency-specific examples.)

Table B-1. 1993 Estimates of Savings From NPR Recommendations Compared With Savings Estimates From Actions to Date (in billions of dollars)

	FY95	FY96	FY97	FY98	FY99	TOTAL
1. Streamlining the Bureaucracy Through Reengineering						
Savings Estimated in September 1993 Report	5.0	5.8	7.4	9.5	12.7	40.4
Savings Based on Actions to Date	7.8*	6.5	8.5	10.5	12.6	45.9
2. Reinventing Federal Procurement						
Savings Estimated in September 1993 Report	0	5.6	5.6	5.6	5.7	22.5
Savings Based on Actions to Date	cbe	cbe	cbe	cbe	cbe	cbe
Savings Pending in Legislation	0.7	2.8	2.8	2.9	3.1	12.3
3. Reengineering Through Information Technology						
Savings Estimated in September 1993 Report	0.1	0.5	1.2	1.6	2.0	5.4
Savings Based on Actions to Date	0	0	0	0.1	0.2	0.3
4. Reducing Intergovernmental Administrative Costs						
Savings Estimated in September 1993 Report	0.5	0.7	0.7	0.7	0.7	3.3
Savings Based on Actions to Date	0	0	0	0	0	0
5. Changes in Individual Agencies						
Savings Estimated in September 1993 Report	7.0*	6.2	7.0	7.3	8.9	36.4
Savings Based on Actions to Date	0	0.1	0.2	0.2	0.2	0.7
Savings Pending in Legislation	3.7	cbe	cbe	cbe	cbe	3.7
Total NPR Savings						
Savings Estimated in September 1993 Report	12.6*	18.8	21.9	24.7	30.0	108.0
Savings Based on Actions to Date	7.8*	6.6	8.7	10.8	13.0	46.9
Savings Pending in Legislation	4.4	2.8	2.8	2.9	3.1	16.0

Notes:
* indicates the FY95 column includes some FY 1994 savings.
cbe: Cannot be estimated at this time; estimates may be developed as part of the FY 1996 budget process.

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APPENDIX D:
PRESIDENTIAL AND CONGRESSIONAL ACTIONS TAKEN TO DATE

As of September 1, 1994, 22 Presidential directives have been issued to implement NPR recommendations. Listed below are the directives and the relevant NPR recommendations:

The President's Community Enterprise Board, Presidential Memorandum, September 9, 1993.
- FSL01: Improve the Delivery of Federal Domestic Programs

Streamlining the Bureaucracy, Presidential Memorandum, September 11, 1993.
- ORG01: Reduce the Costs and Numbers of Positions Associated with Management Control Structures by Half

Setting Customer Service Standards, Executive Order 12862, September 11, 1993.
- ICS01: Create Customer-Driven Programs in All Departments and Agencies That Provide Services Directly to the Public

Elimination of One-Half of Executive Branch Internal Regulations, Executive Order 12861, September 11, 1993.
- SMC07: Reduce Internal Regulations by More Than 50 Percent

President's Foreign Intelligence Advisory Board, Executive Order 12863, September 13, 1993.
- INTEL06: Merge the President's Intelligence Oversight Board with the President's Foreign Intelligence Advisory Board

Regulatory Planning Review, Executive Order 12866, September 30, 1993.
- REG01: Create an Interagency Regulatory Coordination Group
- FSL02: Reduce Red Tape Through Regulatory and Mandate Relief

Agency Rulemaking Procedures, Presidential Memorandum, September 30, 1993.
- REG05: Streamline Agency Rulemaking Procedures

Negotiated Rulemaking, Presidential Memorandum, September 30, 1993.
- REG03: Encourage Consensus-Based Rulemaking

Report of Regulations Reviewed, Presidential Memorandum, September 30, 1993.
- REG01: Create an Interagency Regulatory Coordination Group
- FSL02: Reduce Red Tape Through Regulatory and Mandate Relief

Trade Promotion Coordinating Committee, Executive Order 12870, September 30, 1993.
DOC02: Provide Better Coordination to Refocus and Leverage Federal Export Promotion

Implementing Management Reform in the Executive Branch, Presidential Memorandum, October 1, 1993.
QUAL01: Provide Improved Leadership and Management in the Executive Branch

Labor-Management Partnerships, Executive Order 12871, October 1, 1993.
HRM13: Form Labor-Management Partnerships for Success

Enhancing the Intergovernmental Partnership, Executive Order 12875, October 26, 1993.
FSL02: Reduce Red Tape Through Regulatory and Mandate Relief

Streamlining Procurement Through Electronic Commerce, Presidential Memorandum, October 26, 1993.
PROC14: Expand Electronic Commerce for Federal Acquisition

Establishment of the National Science and Technology Council, Executive Order 12881, November 23, 1993.
NSF01: Strengthen Coordination of Science Policy

President's Committee of Advisors on Science and Technology, Executive Order 12882, November 23, 1993.
NSF01: Strengthen Coordination of Science Policy

Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, Executive Order 12898, February 11, 1994.
EPA09: Establish a Blueprint for Environmental Justice Through EPA's Operations

Memorandum on Environmental Justice, February 11, 1994.
EPA09: Establish a Blueprint for Environmental Justice Through EPA's Operations

Energy Efficiency and Water Conservation at Federal Facilities, Executive Order 12902, March 8, 1994.
ENV03: Increase Energy and Water Efficiency

Coordinating Geographic Data Acquisition and Access: The National Spatial Data Infrastructure, Executive Order 12906, April 11, 1994.
DOI03: Establish a National Spatial Data Infrastructure

Environmentally and Economically Beneficial Practices on Federal Landscaped Grounds, Presidential Memorandum, April 26, 1994.
ENV04: Increase Environmentally and Economically Beneficial Landscaping

Expanding Family-Friendly Work Arrangements in the Executive Branch, Presidential Memorandum, July 11, 1994.
HRM07: Enhance Programs to Provide Family-Friendly Workplaces

As of September 1, 1994, 21 bills containing NPR-recommended actions have been passed by Congress and signed into law by the President. Listed below are the Public Laws and the relevant NPR recommendations:

Public Law 103-66, *The Omnibus Budget Reconciliation Act of 1993.*
FSL01: Improve the Delivery of Federal Domestic Grant Programs

Public Law 103-87, *The Foreign Operations Export Financing and Related Programs Appropriations Act of 1994.*
AID02: Reduce Funding, Spending and Reporting Micromanagement
Note: This law makes obligational authority for the Agency for International Development contingent upon the agency's implementation of all NPR non-legislative recommendations by March 31, 1994.

Public Law 103-103, *The Federal Employees Leave Sharing Act of 1993.*
HRM07: Enhance Programs to Provide Family-Friendly Workplaces

Public Law 103-111, *The Agriculture Appropriations Act, FY 1994.*
USDA02: Eliminate Federal Support for Honey

Public Law 103-112, *The Labor/HHS/Education Appropriations Act, FY 1994.*
DOL20: Reduce Federal Employees' Compensation Act Fraud

Public Law 103-121, *The Commerce, Justice & State Appropriations Act, FY 1994.*
DOJ04: Improve Department of Justice Debt Collection Efforts
DOJ10: Improve White Collar Crime Enforcement

Public Law 103-123, *The Treasury, Postal Service, and General Government Appropriations Act, 1994.*
BGT05: Provide Line Managers with Greater Flexibility to Achieve Results

Public Law 103-130, *Amendments to the National Wool Act of 1954.*
USDA01: End the Wool and Mohair Subsidy

Public Law 103-160, *The National Defense Authorization Act for Fiscal Year 1994.*
ENV03: Increase Energy and Water Efficiency

Public Law 103-182, *The North American Free Trade Agreement.*
TRE10: Modernize the U.S. Customs Service

Public Law 103-208, *The Higher Education Technical Amendments of 1993.*
ED07: Simplify and Strengthen Institutional Eligibility and Certification for Participation in Federal Student Aid

Public Law 103-211, *Emergency Supplemental Appropriations Act of 1994.*
DOT19: Rescind Unobligated Earmarks for the FTA New Starts Bus Program
DOT20: Reduce the Annual Essential Air Service Subsidies
DOT21: Terminate Grant Funding for Federal Aviation Administration Higher Education Programs

Public Law 103-226, *The Federal Workforce Restructuring Act of 1994.*
- HRM06: Clearly Define the Objective of Training as the Improvement of Individual and Organizational Performance; Make Training More Market-Driven
- HRM14: Provide Incentives to Encourage Voluntary Separations

Public Law 103-227, *Goals 2000: Educate America Act.*
- ED11: Build a Professional, Mission-Driven Structure for Research
- FSL01: Improve the Delivery of Federal Domestic Grant Programs
- FSL02: Reduce Red Tape Through Regulatory and Mandate Relief

Public Law 103-233, *Housing and Community Development Act of 1994.*
- HUD02: Improve Multi-Family Asset Management and Disposition

Public Law 103-236, *Foreign Relations Authorization Act, FY 1994-95.*
- DOS06: Consolidate U.S. Nonmilitary International Broadcasting

Public Law 103-239, *School to Work.*
- FSL01: Improve the Delivery of Federal Domestic Grant Programs

Public Law 103-271, *Board of Veterans' Appeals Administrative Procedures Act of 1994.*
- DVA04: Streamline Benefits Claims Processing

Public Law 103-305, *FAA Authorization Act of 1994.*
- DOT10: Establish an Aeronautical Telecommunications Network to Develop a Public-Private Consortium

Public Law 103-316, *Energy and Water Development Appropriations Act, 1995.*
- DOE06: Redirect Energy Laboratories to Post-Cold War Priorities

Public Law 103-317, *Department of Commerce and Related Agencies Appropriations Act, 1995.*
- DOC10: Amend the Omnibus Trade and Competitiveness Act to Increase the Data Quality of the National Trade Data Bank
- DOJ04: Improve Department of Justice Debt Collection Efforts
- DOJ10: Improve White Collar Fraud Civil Enforcement

As of September 1, 1994, 11 bills with 47 NPR-related items have passed both Houses or are pending in conference committees:

- H.R. 6, *Improving America's Schools Act of 1994*
- H.R. 322, *Hardrock Mining Reform Act of 1993*
- H.R. 820, *National Competitiveness Act of 1994; Amendment to the Manufacturing Stevenson-Wydler Technology Innovation Act*
- H.R. 4217, *Federal Crop Insurance Reform Act of 1994*
- H.R. 4539, *Treasury, Postal Service and Government Appropriations Act, 1995*
- H.R. 4554, *Agriculture, Rural Development, FDA and Related Agencies Appropriations Act, 1995*
- H.R. 4602, *Department of Interior and Related Agencies Appropriations Act, Fiscal Year 1995*
- H.R. 4606, *Department of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, Fiscal Year 1995*
- S. 208, *National Park Service Concession Reform Act of 1994*
- S. 1587, *Federal Acquisition Improvement Act of 1994*
- S. 2182, *National Defense Authorization Act for Fiscal Year 1995*

As of September 1, 1994, 10 bills — not including those in conference or signed into law — containing 46 NPR-related items have been passed by the House or the Senate:

- H.R. 8, *Healthy Meals for Healthy Americans Act of 1994*
- H.R. 856, *Educational Research, Development, and Dissemination Excellence Act*
- H.R. 1578, *Expedited Rescissions Act of 1993*
- H.R. 2751, *Federal Employees Humanitarian Leave Act of 1993*
- H.R. 3400, *Government Reform and Savings Act of 1993*
- H.R. 3419, *Tax Simplification and Correction Act of 1993*
- H.R. 3838, *Housing and Community Development Act of 1994*
- H.R. 4003, *Maritime Security and Competitiveness Act of 1994*
- H.R. 4600, *Expedited Rescissions Act of 1994*
- S. 1970, *Department of Agriculture Reorganization Act of 1994*

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